

प्रधान आयुक्त सीमाशुल्क (सामान्य)
PRINCIPAL COMM. OF CUSTOMS (G)

27 APR 2026

हस्ता/Sig.....

नवीन सीमाशुल्क भवन, मुंबई-०१

NEW CUSTOM HOUSE, MUMBAI-01

Date: 27-04-2026

Ref: CLPL/CBS/GOV/2026/001

अपर आयुक्त (सामान्य)
Addl. Commr. of Customs (General)

27 APR 2026

नवीन सीमाशुल्क भवन, मुंबई-०१.
New Customs House, Mumbai-01.

To,
Shraddha Joshi Sharma,
Commissioner of Customs, CBS (General),
New Custom House, Ballard Estate,
Mumbai - 400 001.

Subject: Request for permission to complete clearance of all Bills of Entry and Shipping Bills filed on or before 22nd April 2026 under Customs Broker License No. 11/1805 of M/s. Capricorn Logistics Pvt. Ltd. - in the interest of trade and to prevent hardship to bonafide clients.

Reference: Order No. 03/2026-27 CBS dated 22-04-2026 (Suspension of CB License No. 11/1805); DIN No. 20260477100000000E622.

Respected Madam,

M/s. Capricorn Logistics Pvt. Ltd. ("CLPL"), holding Customs Broker License No. 11/1805 (PAN: AABCC6364M), respectfully submits this urgent application to this Hon'ble Authority and humbly requests your kind consideration for a specific and limited relief that is entirely in the interest of India's trade community and the bonafide clients of CLPL who bear no connection whatsoever to the incident that led to the issuance of the Suspension Order No. 03/2026-27 CBS dated 22-04-2026.

By virtue of the Suspension Order, CLPL's Customs Broker License No. 11/1805 has been suspended with immediate effect from 22nd April 2026. As a direct consequence of this suspension, a significant number of import and export consignments - in respect of which Bills of Entry and Shipping Bills were duly filed by CLPL on behalf of its clients on or before 22nd April 2026 (i.e., prior to or on the date of the suspension) - are now unable to proceed to examination, assessment, and final clearance. These are entirely lawful and bonafide transactions, all Customs documentation has been duly filed and is in order, and the goods are lying at various Customs Stations, ports, and CFSs in Mumbai awaiting clearance.

The clients on whose behalf these Bills of Entry and Shipping Bills were filed are innocent parties who had no role, knowledge of, or connection with the incident that led to the suspension of CLPL's license. These are bonafide importers and exporters - many of them global multinational companies - who have entrusted CLPL with their customs clearance work in good faith and in strict compliance with law. The inability to clear goods that were already in the pipeline before the date of suspension is causing the following immediate and severe hardship to these bonafide clients and to trade at large:

- Accumulation of demurrage and detention charges on containers lying at ports and CFSs, which are accruing on a daily basis through no fault of the importer or exporter;
- Delay in availability of time-sensitive import cargo, including raw materials, components, and perishables, disrupting the production and supply chains of CLPL's clients;

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CIN : U63090MH2001PTC133716

सीमाशुल्क दलाल विभाग
CUSTOMS BROKERS SECTION

27 APR 2026

नवीन सीमाशुल्क गृह, मुंबई-०१
New Custom House, Mumbai - 01

(c) Delay in shipment of export cargo for which Shipping Bills have already been filed and the goods are lying at CFSs awaiting stuffing and vessel connection, risking missed vessel cut-offs and failure to fulfil export commitments;

(d) Financial loss and reputational damage to CLPL's clients, who will be required to bear demurrage, re-booking, and other avoidable costs arising solely from the suspension of their customs broker's license for an incident entirely unrelated to their own transactions.

It is a well-settled and equitable principle of Customs administration that the suspension of a CB license, being a provisional and preventive measure, ought not to be construed so as to penalise bonafide third-party clients and innocent members of the trade who have filed lawful documents prior to the date of suspension. The Bills of Entry and Shipping Bills filed before 22nd April 2026 represent transactions that were already in process and under the jurisdiction of the Customs system before the suspension came into effect. Denying clearance of these pre-suspension filings would amount to giving retrospective effect to the suspension order, which is neither the intent nor the letter of Regulation 16(1) of the CBLR, 2018.

CLPL further brings to the kind attention of this Hon'ble Authority that a similar relief for completion of pending Customs clearances has already been extended by the concerned authorities to M/s. ICTPL Globicon CFS, whose license was also suspended in connection with the same incident. If the CFS, which is the very premises within which the alleged smuggling activity occurred and whose own licensed personnel operated the Kalmar equipment and cut the container seal, has been granted the relief of completing pending trade clearances, it would be manifestly inequitable and unjust to deny the same relief to CLPL – a Customs Broker whose management had no knowledge of the incident, who was itself a victim of a forged letterhead, and who has proactively cooperated with the DRI investigation including surrendering the accused employee. CLPL respectfully submits that consistency and fairness in the application of regulatory relief demand that the same consideration extended to ICTPL Globicon CFS be equally extended to CLPL and its bonafide clients.

It is further submitted, with respect, that permitting clearance of these pre-suspension filings will cause absolutely no prejudice to the DRI investigation or to any inquiry proceedings that may be initiated under the CBLR, 2018. These are independent, bonafide, and entirely unrelated transactions of third-party clients. The granting of this limited and specific relief will in no way affect, compromise, or interfere with the ongoing investigation. On the contrary, it will demonstrate this Hon'ble Authority's sensitivity to the interests of the trade community while ensuring that the regulatory process runs its course.

CLPL also wishes to place on record before this Hon'ble Authority that on this date, i.e., 27th April 2026, CLPL has submitted a detailed written communication to the Principal Additional Director General, Directorate of Revenue Intelligence, Mumbai Zonal Unit, Nhava Sheva. This communication sets out a comprehensive and factual account of CLPL's complete cooperation with the DRI investigation from Day 1 of the incident, including: the immediate midnight presence of General Manager Mr. Manish Shaikh at the CFS; the sustained 10-day search effort to locate Shri Sandeep Shukla; the real-time updates provided to DRI during the search operation; the interactions with Shri Shukla's wife and village residents at Pratapgarh, Uttar Pradesh; and the physical surrender of Shri Sandeep Shukla before the DRI Investigation Team, Nhava Sheva on 24th April 2026. A copy of this communication is being filed before this Hon'ble Authority as well, for its kind perusal and consideration. CLPL submits that this submission to the DRI further reinforces its bona fides and its commitment to full transparency with all investigating and regulatory authorities.

CLPL undertakes that the clearance of pre-suspension filings will be carried out under strict supervision and in full compliance with all applicable Customs laws and regulations. CLPL further

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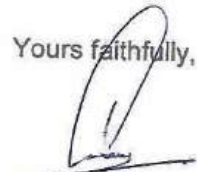
undertakes to maintain and make available to this office a complete list of all Bills of Entry and Shipping Bills filed on or before 22nd April 2026 that are pending clearance, for this Hon'ble Authority's records and oversight.

In the foregoing circumstances, M/s. Capricorn Logistics Pvt. Ltd. most respectfully prays that this Hon'ble Authority may kindly be pleased to:

- (a) Grant permission to CLPL to proceed with and complete the Customs clearance of all Bills of Entry and Shipping Bills duly filed on or before 22nd April 2026 under CB License No. 11/1805, under such conditions and supervision as this Hon'ble Authority may deem appropriate;
- (b) Issue suitable instructions to all concerned Customs Officers, Shed Officers, and CFSs to facilitate the examination, assessment, and out-of-charge / Let Export Order for such pre-suspension filings; and
- (c) Pass such other and further orders as this Hon'ble Authority deems just and equitable in the interest of trade and the bonafide clients of CLPL.

CLPL is deeply mindful of the gravity of the situation and has been and will continue to be fully cooperative with all authorities at all times. We appeal to the magnanimity and sense of justice of this Hon'ble Authority to ensure that innocent clients and the broader trade community do not suffer on account of circumstances entirely beyond their control.

Yours faithfully,



Kailas Nathu Gawde
Deputy General Manager
M/s. Capricorn Logistics Pvt. Ltd.

Enclosures:

1. Copy of detailed communication dated 27-04-2026 submitted by CLPL to the Principal Additional Director General, DRI, Mumbai Zonal Unit, Nhava Sheva, setting out CLPL's complete cooperation with the DRI investigation from Day 1 of the incident.
2. Suspension Order copy of ICTPL where the permission for clearance of the shipments is allowed prior to issuance of suspension order to avoid any inconvenience to the trade



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Date: 27-04-2026
Ref: CLPL/DRI/2026/001

To,
The Principal Additional Director General,
Directorate of Revenue Intelligence (DRI),
Mumbai Zonal Unit,
Nhava Sheva.

Subject: Request to the Principal Additional Director General, DRI, Mumbai Zonal Unit, Nhava Sheva, to kindly convey its assessment in support of revocation of the Suspension of Customs Broker License No. 11/1805 of M/s. Capricorn Logistics Pvt. Ltd. – in view of full cooperation extended to DRI, tracing and handing over of accused employee, and irreparable harm being caused to business, livelihoods, and national reputation.

Reference: Order No. 03/2026-27 CBS dated 22-04-2026 passed by the Commissioner of Customs, CBS (General), Mumbai Customs Zone-I; DRI Investigation F.No. DRI/MZU/NS-II/INT-47/2026 dated 17.04.2026.

Respected Sir / Ma'am,

M/s. Capricorn Logistics Pvt. Ltd. ("CLPL"), one of India's leading Customs Brokers and a prominent Indian multinational in the logistics and freight forwarding sector, holding CB License No. 11/1805 (PAN: AABCC6364M), humbly approaches this Hon'ble Authority with this letter, placing on record the complete and unconditional cooperation extended by CLPL to your esteemed investigating team at every stage of the DRI investigation arising out of the incident at ICTPL Globicon CFS, Nhava Sheva, in April 2026.

CLPL submits this letter with the utmost respect for the DRI and with full confidence in the fairness and objectivity of your investigation. Most importantly, CLPL brings to the immediate attention of this Hon'ble Authority one overriding and decisive fact: on 24th April 2026, M/s. Capricorn Logistics Pvt. Ltd. traced and physically handed over Shri Sandeep Shukla – the accused employee – to the DRI Investigation Team at Nhava Sheva. This single act is the principal ground on which CLPL respectfully requests this Hon'ble Authority to kindly convey its assessment and extend its support to the Commissioner of Customs, CBS (General), Mumbai Customs Zone-I, for the forthwith revocation of the suspension of CLPL's Customs Broker License.

1. CLPL'S COMPLETE AND DOCUMENTED COOPERATION WITH DRI – A CHRONOLOGICAL RECORD

1.1 Before setting out the full chronology of cooperation, CLPL places on record the single most significant and determinative act that forms the PRINCIPAL GROUND for this revocation request: On 24th April 2026, after more than 10 days of relentless and sustained effort – including camping at Shri Sandeep Shukla's native village in Pratapgarh, Uttar Pradesh – M/s. Capricorn Logistics Pvt. Ltd. successfully located and surrendered Shri Sandeep Shukla before the DRI Investigation Team, Nhava Sheva. This effort commenced from the very day the incident came to CLPL's knowledge, and continued uninterrupted until the accused was physically produced before the DRI. This act of an employer dedicating its own resources,

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personnel, and time over more than ten days to trace and surrender an absconding accused employee to the investigating authority is an extraordinary act of cooperation that goes far beyond any obligation imposed by law. No statutory provision required CLPL to do this. CLPL did it voluntarily, because it had nothing to conceal and everything to contribute to the cause of justice.

1.2 The physical handover of Shri Sandeep Shukla to the DRI on 24th April 2026 by CLPL alone establishes beyond any doubt that CLPL is not complicit in the offence, has not obstructed the investigation, and poses zero risk to the ongoing inquiry. It is respectfully submitted that any justification for continuation of the license suspension ceased to exist from 24th April 2026 onwards – the date on which CLPL itself delivered the accused into the hands of the investigating authority. The DRI is in the best position to confirm and certify this fact, and CLPL humbly requests that this Hon'ble Authority do so in its communication to the Commissioner of Customs.

1.3 From the very moment CLPL was first contacted by the DRI regarding the incident at ICTPL Globicon CFS, the management did not wait for formal summons or notices. The following is the complete chronological record of CLPL's cooperation, each step of which is documented by email communications and records:

(a) Immediate Appearance before DRI: Upon being informed/called by DRI, CLPL's senior management and staff rushed to ICTPL Globicon CFS and presented themselves before the DRI officers without delay.

(b) Full Disclosure on Import Consignment: CLPL categorically clarified to the DRI that the import consignment in question (Container No. TGHU6099161 in the name of M/s. C.K. International) was not filed or cleared by CLPL, and that CLPL had absolutely no connection with the said import.

(c) Production of Internal Email as Documentary Evidence: CLPL immediately produced before the DRI the internal email sent to its export operations team, including to Shri Sandeep Shukla, specifying that the export cargo would arrive in one truck along with the designated truck number. This document conclusively demonstrates that CLPL had authorised entry of only one truck, and that the additional trucks were entirely unauthorised.

(d) Confirmation of Export Cargo Accuracy: CLPL confirmed and established before the DRI that its Shipping Bill No. 2259124 dated 09-04-2026 declared 11 pieces of Industrial Valves, and that 11 pieces were indeed correctly offloaded at the CFS – consistent with all declared particulars.

(e) F-Card Holder's Full Cooperation: CLPL's F-card holder, Mr. Kailas Gawde, was called by the DRI for recording of statement and investigation. Mr. Kailas Gawde appeared before the DRI without any hesitation and cooperated fully. In his statement, Mr. Gawde clearly confirmed that Shri Sandeep Shukla's role was limited exclusively to receiving trucks at the CFS gate and ensuring offloading of export cargo, and that he had no connection with any import activities whatsoever.

(f) Identification and Exposure of Forged Letterhead: CLPL clarified to the DRI that the letterhead used by Shri Sandeep Shukla to obtain entry for outside loaders was a forged document – that CLPL never authorises any such communication through physical letterheads, that it does not permit any unauthorised person access to its letterheads, and that this was a criminal act of forgery committed by Shri Shukla against his own employer.

(f-1) CFS Contract, Complete Responsibility and Failure of ICTPL Globicon CFS – Collusion with Shri Sandeep Shukla: CLPL respectfully places before this Hon'ble Authority the following critical facts that, taken together, establish the complete and direct responsibility of ICTPL Globicon CFS in the events that transpired, and conclusively demonstrate that CLPL's management had no knowledge of, and no involvement in, any of the acts alleged by the DRI.



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(f-1-i) Contractual Responsibility of CFS for All Labour and Equipment: CLPL has a standing, signed contract with ICTPL Globicon CFS for export dock stuffing operations. Under this contract, the CFS bears exclusive, comprehensive, and contractual responsibility for the complete end-to-end stuffing process, which includes: transporting the empty container from the shipping line yard to the CFS; positioning and placing the container for stuffing; supplying all labourers required for stuffing of the export cargo into the container after LEO (Let Export Order) and completion of all Customs procedures; completing the lashing and chocking activity; and delivering the stuffed container to the port for vessel connection. Critically, this contract also encompasses the provision of all labour and equipment required for stuffing operations, and was specifically structured to include these elements in order to ensure that there are no cash dealings of any kind in the process – a deliberate and principled decision by CLPL to maintain financial transparency and eliminate any scope for irregularity.

(f-1-ii) Security, Compliance and Liability – Principal Reasons Why Outside Labour is Never Permitted: One of the principal reasons CLPL's contract with the CFS vests all labour responsibility exclusively in the CFS is the critical triad of security, compliance, and liability. Allowing any outside or unverified labour into a Customs-bonded CFS area poses a direct and serious security risk to the integrity of cargo, containers, and Customs-controlled goods. From a compliance standpoint, only persons authorised by the CFS and approved by Customs are permitted to operate within the CFS. From a liability standpoint, the CFS, as the licensed operator of a Customs-bonded area, is solely and absolutely responsible for everything that occurs within its premises. CLPL's contractual structure reflects this reality – outside labour is not merely unnecessary, it is contractually, operationally, and legally impermissible.

(f-1-iii) No Stuffing Plan Shared by CLPL for 11th April 2026: CLPL categorically states that no stuffing plan, no container planning instructions, and no operational schedule for 11th April 2026 was shared or communicated by CLPL's management or operations team to the CFS. This is a matter of record. The CFS had therefore no authorisation, no instruction, and no basis from CLPL to permit any stuffing activity, any vehicle entry, or any labour deployment in relation to CLPL's export consignment on that date. Any activity that occurred at the CFS on 11th April 2026 in purported connection with CLPL's export shipment was entirely without CLPL's knowledge, authorisation, or direction.

(f-1-iv) CFS Accepted a Forged Photocopy Letterhead – Gross Dereliction of Duty and Prima Facie Collusion: The most damning failure of the CFS in this entire episode is that it permitted the entry of outside labourers on the basis of what was a forged photocopy of CLPL's letterhead – without any original document, without any official seal, and without any verification from CLPL's authorised personnel. Any reasonably diligent CFS operator, as the licensed custodian of a Customs-bonded area with full security and compliance obligations, is duty-bound to verify the authenticity of any letter or permission produced at its gates, particularly one purporting to authorise the entry of outside persons. The CFS's acceptance of a photocopied, unsealed, unverified document as sufficient authority to permit outside labourers into a Customs-bonded area is not merely a procedural lapse – it is a gross dereliction of duty that raises serious questions about the CFS's own complicity in the events that followed. CLPL respectfully submits that the CFS's willingness to act on such a document, without any attempt to verify it with CLPL, is strongly indicative of the CFS acting in collusion with Shri Sandeep Shukla, who was himself acting entirely in his personal capacity and without any knowledge of or instruction from Capricorn's management.

(f-1-v) Entry of 3 Vehicles Against a Shipping Bill Declaring Only 1 Vehicle with 11 Pallets – A Glaring Red Flag Ignored by CFS and Gate PO: This sub-clause places before this Hon'ble Authority what is perhaps the most visible and inexcusable failure of the CFS and the Gate Post Officer, and one which, had it been acted upon, would have arrested the entire smuggling operation at the gate itself.

CLPL's export Shipping Bill No. 2259124 dated 09-04-2026 declared a consignment of 11 pallets of Industrial Valves. CLPL's customer service team had communicated via email to its executive at the CFS – including to Shri Sandeep Shukla – that the export cargo

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would arrive in ONE vehicle carrying these 11 pallets, along with the specific truck number. There was therefore a clear, documented, and communicated basis that only one vehicle was expected and authorised for this shipment.

Despite this, Shri Sandeep Shukla, acting entirely on his own and without any knowledge of or instruction from Capricorn's management, presented THREE vehicles for entry against CLPL's shipping bill checklist. The CFS and the Customs Gate PO permitted all three vehicles to enter the bonded CFS area. This alone was a serious and fundamental failure of the CFS's gatekeeping function – no verification was made, no confirmation was sought from CLPL's authorised personnel, and no cross-check was conducted against the shipping bill which declared only 11 pallets in one truck.

The failure of the CFS and Gate PO is rendered even more egregious by the following specific and undeniable fact: one of the three vehicles that was permitted inside the CFS was a 20-foot flat bed open trailer carrying 20 pallets. This vehicle and its cargo were in plain and open sight – a flat bed open trailer, by its very nature, conceals nothing. The 20 pallets stacked on it were entirely and obviously visible to any officer conducting even the most cursory inspection at the CFS gate. The question that any diligent Gate PO or CFS supervisor was duty-bound to ask at that very moment was self-evident: the shipping bill declares 11 pallets, so why is a vehicle carrying 20 pallets being allowed entry? This single, visible discrepancy – 20 pallets on an open trailer against a shipping bill of 11 pallets – was sufficient, by itself, to stop the entire operation in its tracks. Instead, the CFS and the Gate PO chose to ignore it. CLPL respectfully submits that this was not an oversight – it was a conscious and deliberate disregard of the most basic verification obligation, raising serious questions about the role and culpability of the CFS and its personnel in these events.

(f-1-vi) CFS as Licensed Custodian – Sole and Primary Gatekeeper Responsibility: As the holder of a CFS license, ICTPL Globicon CFS is, in law and in regulation, the sole and primary custodian of all goods, containers, and persons within its bonded area. Every entry of a vehicle, every deployment of labour, every movement of a container within the CFS is the CFS's direct regulatory responsibility. The CFS cannot, and must not, be permitted to deflect this responsibility onto the Customs Broker. The entire chain of events that led to the alleged smuggling activity – the entry of three unauthorised trucks including a 20-foot open trailer with 20 pallets against a shipping bill of 11 pallets, the entry of outside labourers on a forged document, the movement of the import container to a hazardous area, and the cutting of the container seal – occurred within the CFS's bonded premises, under the CFS's watch, and in direct consequence of the CFS's deliberate failure to discharge its gatekeeping duties. CLPL submits that the responsibility for these failures lies squarely, entirely, and exclusively with ICTPL Globicon CFS and the Customs Gate PO, and not with M/s. Capricorn Logistics Pvt. Ltd., whose management had no knowledge of any of these events as they unfolded.

(g) Immediate Search at Mumbai Residence: As soon as DRI informed CLPL of Shri Sandeep Shukla's alleged involvement, CLPL immediately dispatched staff to his residence address as per company records. The residence was found locked and Shri Shukla had switched off his mobile phone.

(h) Extensive Search Operation at Native Village – Pratapgarh, Uttar Pradesh: Undeterred by the above, CLPL arranged for its team to travel to Shri Sandeep Shukla's Aadhaar card address at Pratapgarh, Uttar Pradesh. CLPL's team ascertained from neighbours that Shri Shukla and his family had arrived there a day earlier. CLPL immediately informed the DRI investigation team at Nhava Sheva of this development in real time.

(i) Acting on DRI's Instructions at Pratapgarh – Continuous Real-Time Updates to DRI Throughout the Search: The DRI instructed CLPL's team not to use any force but to try to convince Shri Shukla to voluntarily accompany them to Mumbai. CLPL's team acted strictly in accordance with this instruction. During the initial attempt, Shri Shukla had concealed himself and his wife stated he was unavailable. CLPL did not give up. Throughout the entire period of the search operation – spanning more than ten days – CLPL maintained continuous and regular communication with the DRI, keeping the

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investigating team fully informed in real time of every development on the ground. Each interaction with Shri Shukla's wife, each conversation with neighbours and village residents, each attempt to counsel them to divulge his whereabouts, and each effort to persuade them to convince Shri Shukla to surrender voluntarily before the DRI authorities, was promptly communicated and reported to the DRI. CLPL's team on the ground functioned as an active extension of the investigation, providing the DRI with ground-level intelligence and updates as events unfolded. This sustained, transparent, and real-time reporting to the DRI throughout the search operation is itself a testimony to CLPL's unconditional cooperation and its determination to ensure that the investigating authority was never kept in the dark about any development, however minor.

(j) ★ THE PRINCIPAL ACT – Surrender of Shri Sandeep Shukla to DRI on 24th April 2026 after 10+ Days of Sustained Effort: Following the initial setback at Pratapgarh where Shri Shukla had concealed himself, CLPL's team did not return to Mumbai. They camped at and around his native village, maintained a continuous vigil, and persisted in their efforts for over ten days from the date the incident first came to CLPL's knowledge. It is critical to note that this search effort commenced independently and proactively by CLPL, driven solely by its own commitment to assist the DRI and to ensure that justice was served. On 24th April 2026, as a direct result of this sustained and dedicated effort, CLPL successfully located Shri Sandeep Shukla and surrendered him before the DRI Investigation Team, Nhava Sheva. This is the most concrete, unequivocal, and decisive act of cooperation that any Customs Broker or employer could possibly render to an investigating authority – and it was done entirely on CLPL's own initiative, without any court direction or legal compulsion. The DRI is best placed to confirm and certify this surrender in its communication to the Commissioner of Customs.

(k) Police Complaint for Forgery: CLPL filed a formal complaint with the local police station disclosing all relevant facts, specifically reporting the forgery of CLPL's letterhead by Shri Sandeep Shukla, and requesting investigation and appropriate legal action.

(m) Ongoing Communication and Availability: Throughout the investigation, CLPL has maintained regular communication with the DRI team by email, has made itself and its officials available at all times, and has provided all information and documents sought by the investigating team promptly and without reservation.

1A. PHYSICAL PRESENCE AND PERSONAL INVOLVEMENT OF CLPL'S GENERAL MANAGER AT THE CFS FROM THE VERY NIGHT OF THE INCIDENT

The depth and sincerity of CLPL's cooperation with the DRI investigation is perhaps best illustrated not by documents, but by the personal actions of its senior leadership from the very first hours of the incident coming to light.

Mr. Manish Shaikh, General Manager of M/s. Capricorn Logistics Pvt. Ltd., received information about the incident at 10:30 PM on 11th April 2026. Without any delay and without waiting for morning, Mr. Manish Shaikh proceeded immediately to ICTPL Globicon CFS, Nhava Sheva, and was physically present at the CFS by 11:45 PM the same night. This immediate midnight response by a senior General Manager of the organisation demonstrates, beyond any argument, that CLPL's reaction to this incident was one of genuine alarm, transparency, and a determination to cooperate with the authorities at the earliest possible moment – and not one of concealment or evasion.

Mr. Manish Shaikh remained present at the CFS through the night and continued to be available there until Sunday afternoon on 13th April 2026, ensuring that DRI officers had immediate access to CLPL's senior representative at all times during the critical initial phase of the investigation.

From Monday, 13th April 2026 onwards, CLPL further reinforced its on-ground presence and cooperation by deploying its F-card holder, Mr. Kailas Gawde, alongside Mr. Manish Shaikh at the CFS and before the DRI investigating team. Mr. Kailas Gawde has remained fully available to and cooperative with the DRI investigation from 13th April 2026 right through to date, providing the investigating team with every assistance required.

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The sustained, personal, and senior-level engagement of CLPL's General Manager and I-card holder with the DRI investigation from the very night of the incident is a matter of record with the DRI. CLPL respectfully submits that this level of cooperation – where the organisation's own senior leadership camps at the site of investigation from midnight on the day of the incident – is the clearest possible evidence that CLPL has acted as a transparent, responsible, and fully cooperative entity at every stage of these proceedings.

1.4 CLPL respectfully submits that the above record – culminating in the physical handover of Shri Sandeep Shukla to DRI on 24th April 2026 – is irrefutable proof of CLPL's good faith, transparency, and commitment to assisting the DRI in bringing the truth to light. CLPL is not the perpetrator of this fraud – it is one of its victims, and has acted at every stage as a responsible and law-abiding corporate citizen.

1B. CLPL'S INSTITUTIONALISED COMPLIANCE FRAMEWORK – MANDATORY DECLARATIONS, CODE OF CONDUCT, AND ETHICS TRAINING – EVIDENCE OF A CULTURE OF INTEGRITY

CLPL is not merely a business enterprise – it is an organisation that has institutionalised a culture of compliance, ethics, and legal awareness at every level of its workforce. As a leading Indian multinational operating across international trade lanes and serving global clients, CLPL has long recognised that compliance is not a box-ticking exercise but a core organisational value. This is not an assertion – it is demonstrated by binding, signed documents executed by Shri Sandeep Kumar Shukla himself at the time of joining CLPL.

CLPL places before this Hon'ble Authority the following critical documentary evidence of its compliance framework, all of which have been duly executed and acknowledged by Shri Sandeep Kumar Shukla personally:

1B.1 DECLARATION AND UNDERTAKING SIGNED BY SHRI SANDEEP KUMAR SHUKLA (DATED 13TH FEBRUARY 2023)

At the time of joining CLPL, Shri Sandeep Kumar Shukla executed a comprehensive Declaration and Undertaking on CLPL's letterhead, bearing his signature alongside the signature of CLPL as employer. This Declaration, a copy of which is annexed hereto as Enclosure 14, contains explicit and specific undertakings by Shri Shukla that are directly relevant to the present case. The following provisions of the Declaration are particularly noteworthy:

- (a) Compliance with CBLR: Shri Shukla undertook at Clause 1 to follow all rules, regulations and procedures under CBLR, 2013 (amended as CBLR, 2018), including to always follow Customs rules and regulations in force from time to time.
- (b) No Illegal Activities: Shri Shukla undertook explicitly at Clause 1(b) that he shall not indulge in any illegal activities – a commitment he has violated in the most egregious manner possible.
- (c) No Bribery: Shri Shukla undertook at Clause 1(c) that he shall not accept or pay any bribe by himself or on behalf of anyone – directly engaging the Anti-Bribery obligations he had personally accepted.
- (d) Use of Custom Pass Only for CLPL Work: Shri Shukla undertook at Clause 1(d) that during his employment, he shall use the Custom pass to carry out Custom Clearance activities only for Capricorn Logistics Pvt. Ltd. His use of the company pass to facilitate entry for an entirely unrelated import consignment is a direct and deliberate breach of this specific undertaking.
- (e) No Tampering with Custom Seals or Goods: Shri Shukla undertook at Clause 1(f) that he shall not tamper with any Custom seals or goods lying under Custom custody – yet the DRI investigation reveals that he influenced the CFS Seal Cutter to cut the container seal without authorisation.

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(f) No Forgery of Documents: Shri Shukla undertook at Clause 1(f) that he shall not change, amend, misrepresent or forge any documents or information required by the authorities – yet he forged CLPL's own letterhead to obtain entry for outside labourers.

(g) Reporting of Discrepancies and Suspicious Activity: Shri Shukla undertook at Clause 1(j) and 2(f) that he shall declare to Customs and inform CLPL's management immediately if any discrepancies are identified during or after examination of cargo not in conformity with documents filed with Customs, and that he shall report any fraud, forgery or suspicious matter that comes to his notice – obligations he chose to violate by actively participating in the fraudulent activity instead.

(h) No Misuse of Custom Access for Illegal Activities: Shri Shukla undertook at Clause 2(d) that he shall not misuse his Custom access granted at various Custom locations through his Custom Pass by engaging in or supporting any illegal activities – which is precisely what he did.

(i) No Misuse of Company Assets or Documents: Shri Shukla undertook at Clause 2(h) that he shall not prepare or transfer any documents of any client other than CLPL clients, and that any such matter coming to his knowledge shall be escalated to supervisors immediately.

(j) Cooperation with Investigations: Shri Shukla undertook at Clause 10 that he shall at all times fully cooperate, support and produce evidence with any investigation or enquiry conducted by authorities or monitored by CLPL – yet he has evaded summons and absconded, in direct breach of this undertaking.

(k) Consequences of Breach: The Declaration explicitly states in bold: 'The Breach of any of these above Declarations and Undertakings shall be treated as a breach of trust upon the Company and the Company shall be entitled to prosecute me for fraud and cheating or as per the relevant provision of various laws in addition to immediate termination of service.' CLPL has acted entirely consistently with this provision.

The existence of this signed Declaration, executed by Shri Sandeep Kumar Shukla on 13th February 2023, establishes beyond any doubt that CLPL discharged its supervisory and compliance obligations in full. Every single act attributed to Shri Shukla by the DRI is a direct, specific, and deliberate breach of undertakings he had personally given to CLPL and to which his signature is affixed. This is not a case of CLPL failing to put in place adequate controls – it is a case of an employee criminally betraying every control that had been placed on him.

1B.2 CODE OF ETHICS AND CODE OF BUSINESS CONDUCT (ANNEXURE 1) – SIGNED AND ACKNOWLEDGED BY SHRI SANDEEP KUMAR SHUKLA

In addition to the Declaration/Undertaking, Shri Sandeep Kumar Shukla was required to, and did, read, understand, and sign CLPL's Code of Ethics and Code of Business Conduct (Annexure 1 to the Declaration), a copy of which is annexed hereto as Enclosure 15. This document, also bearing Shri Shukla's signature and acknowledgement, sets out CLPL's core values and binding standards of conduct for all employees:

(a) Integrity as Core Value: The Code states that integrity and transparency are the core values in all company dealings, and that employees must act in compliance with laws and regulations in a manner that excludes personal advantage and does not compromise the company's commitment to honesty and integrity.

(b) Zero Tolerance for Misconduct: The Code expressly identifies the following as acts of misconduct subject to disciplinary action: theft, fraud or dishonesty in connection with the employer's business; taking or giving bribes or any illegal gratification; willful damage to employer's goods or property; misuse of company letterheads or stationery; and giving false information. Each of these categories is directly applicable to Shri Shukla's conduct.

(c) Commitment to Government Systems: The Code requires employees to respect government institutions, comply with legislation and regulations, and always act in accordance with legal duty of care – the antithesis of what Shri Shukla did.

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(d) Prohibition on Bribery and Corruption: The Code categorically prohibits taking or giving bribes and involvement in mal-practices or fraudulent activities, and states that employees must communicate clearly the rules of the company when dealing with officers of the Custom Department.

(e) National Interest: The Code specifically states that Capricorn Group Companies should conduct business which is in turn a project for the benefit of national interest – underscoring that CLPL's values are aligned with the nation's interests.

Shri Shukla's signature on the Code of Conduct confirms that he had read, understood, and committed to every one of these standards. His subsequent conduct is not merely a violation of law – it is a deliberate betrayal of every value he had committed to uphold in writing.

1B.3 MANDATORY TRAINING PROGRAMME

Beyond the signed Declaration and Code of Conduct, CLPL conducts a mandatory, structured, and regularly conducted internal training programme covering the following critical compliance domains for all staff:

(a) Customs Broker Licensing Regulations (CBLR), 2018: All staff engaged in Customs-related activities undergo mandatory training on CBLR obligations, pass card requirements, documentation standards, and consequences of non-compliance.

(b) Business Ethics and Code of Conduct: Regular training sessions on professional ethics, integrity in dealings with Customs and port authorities, and CLPL's zero-tolerance policy towards illegal or irregular conduct are conducted. Attendance and acknowledgement are recorded.

(c) Anti-Bribery and Foreign Corrupt Practices Act (FCPA) Compliance: Given CLPL's engagement with global multinational clients, employees are trained on the absolute prohibition against bribery and corruption in any form, in dealings with domestic or international authorities. This is a mandatory component of onboarding and annual refresher training.

(d) Identification and Reporting of Suspicious Cargo: Operations staff are specifically trained to identify red flags of suspicious cargo, misdeclaration and smuggling attempts, and the mandatory internal escalation procedures to be followed. The fact that Shri Shukla's conduct constitutes precisely the kind of suspicious activity that CLPL's own training programme equips employees to identify and report makes his betrayal all the more deliberate.

CLPL maintains records of all training sessions including attendance registers, training materials, and employee sign-off forms, which are available for inspection by this Hon'ble Authority or the Commissioner of Customs at any time.

Taken together, the signed Declaration/Undertaking, the acknowledged Code of Conduct, and the mandatory training programme constitute a comprehensive, multi-layered compliance framework that CLPL had put in place specifically to prevent the kind of conduct that Shri Sandeep Kumar Shukla engaged in. CLPL respectfully submits that no reasonable authority can look at this framework and conclude that the organisation was negligent, indifferent, or complicit. On the contrary, CLPL did everything an employer could do – it is Shri Shukla who chose, deliberately and criminally, to violate every safeguard his employer had erected.

2. CLPL'S ASSURANCE OF CONTINUED AND UNCONDITIONAL COOPERATION

2.1 CLPL hereby unconditionally and irrevocably undertakes and assures this Hon'ble Authority that it shall:

(a) Continue to make available all officials, staff, documents, and records as may be required by the DRI at any point during the investigation, without any delay or excuse;

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- (b) Provide any further information or assistance required by DRI in respect of Shri Sandeep Shukla, who has already been handed over to DRI on 24th April 2026;
- (c) Comply with all directives, summons, and requirements issued by the DRI or any other Customs authority in connection with this investigation;
- (d) Maintain and strengthen the enhanced internal controls already implemented, and report on their effectiveness to the DRI and the Customs authorities as directed;
- (e) Cooperate fully in any inquiry proceedings that may be instituted under the CBLR, 2018 before the Commissioner of Customs.

3. CATASTROPHIC AND IRREPARABLE HARM CAUSED BY THE SUSPENSION - BUSINESS, LIVELIHOODS AND NATIONAL REPUTATION

3.1 The suspension of CLPL's Customs Broker License with immediate effect has caused, and continues to cause, severe and irreparable harm across multiple dimensions. CLPL humbly requests that this Hon'ble Authority take cognisance of the devastating impact the suspension is having:

3.2 Loss of Business with Global Multinationals:

(a) CLPL is one of India's leading Customs Broker and logistics service providers. Its client base includes several prominent global multinationals who have chosen CLPL as their trusted partner for Customs clearance and logistics operations in India.

(b) These global clients operate under strict global compliance frameworks and vendor qualification standards. A suspension of a CB license is automatically viewed by such clients as a "compliance red flag," triggering mandatory review and, in many cases, immediate termination of business relationships.

(c) CLPL has already received communications from clients expressing concern about the suspension and the uncertainty around its continuation of services. Every day that the suspension remains in force translates into irreversible loss of client relationships that have been built over years of trust, performance, and investment.

3.3 Loss of Employment - Impact on Livelihoods:

(a) CLPL is proud to employ over 1,200 dedicated professionals across its operations in India, of whom more than 500 employees are directly engaged in Customs clearance activities. These are skilled, trained, and law-abiding individuals who have devoted their careers to serving India's trade and logistics ecosystem with integrity. Not a single one of them bears any responsibility for the criminal acts of one rogue employee. The suspension of CLPL's license places the livelihoods of each and every one of these 1,200+ employees and their families in jeopardy - a consequence that is wholly disproportionate and deeply unjust.

(b) The 500+ employees directly engaged in Customs clearance work face an especially acute impact - their day-to-day roles, their professional credentials, and their career prospects are all directly tied to CLPL's ability to operate as a licensed Customs Broker. Every day the suspension continues, the risk of irreversible displacement of this skilled workforce grows. Many of these employees are the sole breadwinners of their families, and the prospect of job losses and salary defaults as a result of the actions of one individual - who has himself been handed over to DRI - is a reality that CLPL's management is confronting with deep anguish.

3.4 Irreparable Damage to Reputation:

(a) CLPL has built its reputation over many years as a trusted, compliant, and professionally managed Indian multinational in the logistics sector. This reputation is its most valuable asset and the foundation of its relationships with global clients, shipping lines, port authorities, and Customs officials.

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(b) The suspension, even if ultimately revoked, has already caused reputational damage in the industry and amongst CLPL's global client base. News of the suspension has spread, and CLPL is being perceived – wrongly – as an organisation that facilitated smuggling, which is an allegation that is entirely and demonstrably false.

(c) This reputational damage cannot be undone by the passage of time alone. Every additional day of suspension deepens the wound and reduces the prospects of CLPL rehabilitating its image in the market.

3.5 Disrepute to India and the Indian Logistics Sector:

(a) CLPL, as a leading Indian multinational, represents the capabilities and standards of the Indian logistics sector on a global stage. Its clients include international companies that have placed their trust in Indian logistics professionals and the Indian Customs clearance ecosystem.

(b) The suspension of CLPL's license, and its consequent inability to serve its global clients, sends a negative signal about the reliability and regulatory environment of the Indian logistics and Customs administration to the international business community.

(c) India's ambition to become a leading global trade and logistics hub depends on the credibility and integrity of its Customs broker ecosystem. CLPL has contributed significantly to upholding this credibility. The continuation of the suspension, in the face of CLPL's proven cooperation and the absence of any evidence of management-level complicity, works against this national interest.

4. SPECIFIC REQUEST TO THIS HON'BLE AUTHORITY

4.1 CLPL recognises and deeply respects the role of the DRI as the premier agency for combating smuggling and protecting revenue. CLPL has stood by the DRI's investigation at every step and will continue to do so unconditionally.

4.2 In light of:

- (i) CLPL's complete, proactive, and documented cooperation with the DRI investigation;
- (ii) CLPL's physical handover of Shri Sandeep Shukla to the DRI Investigation Team, Nhava Sheva on 24th April 2026 – the principal and decisive act of cooperation which, by itself, justifies revocation of the suspension;
- (iii) CLPL's filing of a police complaint against Shri Shukla for forgery;
- (iv) The full cooperation of CLPL's F-card holder, Mr. Kailas Gawde, with the DRI investigation;
- (v) The fact that the import consignment was not filed or cleared by CLPL;
- (vi) The accuracy of CLPL's export consignment in all respects;
- (vii) CLPL's implementation of enhanced internal controls;
- (viii) The catastrophic and irreparable harm being caused to CLPL's business, employees, and national reputation;
- (ix) CLPL's unconditional undertaking of continued cooperation,

4.3 CLPL most respectfully and humbly requests that this Hon'ble Authority, the Principal Additional Director General, DRI, Mumbai Zonal Unit, Nhava Sheva, may be pleased to:

(a) Issue a communication and convey its assessment to the Commissioner of Customs, CBS (General), Mumbai Customs Zone-I, to the effect that CLPL has cooperated fully and unconditionally with the DRI investigation, and that in the DRI's considered view, there is no justification for continued suspension of CLPL's Customs Broker License;

(b) Kindly convey its favourable assessment and support the revocation of the Suspension Order No. 03/2026-27 CBS dated 22-04-2026 with immediate effect, so as

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to allow CLPL to resume its lawful business operations and prevent further irreparable harm to its business, clients, employees, and reputation;

(c) Note CLPL's unconditional undertaking of full cooperation in all future steps of the investigation and any proceedings that may follow.

CLPL approaches this Hon'ble Authority with folded hands. We are an Indian organisation, proud of our country, and committed to upholding the integrity of India's trade and Customs ecosystem. We have acted honestly, transparently, and responsibly throughout this episode. We respectfully submit that the revocation of the suspension will not only serve justice but will also send a powerful message that Indian institutions distinguish between those who enable wrongdoing and those who fight against it.

We remain, as always, at the complete disposal of the DRI and all concerned authorities.

Yours faithfully,



Manish Shaikh
General Manager

M/s. Capricorn Logistics Pvt. Ltd.

CB License No. 11/1805 | PAN: AABCC6364M

13-13A, Keytuo Industrial Estate, 220, Kondivita Road,
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Date: 27-04-2026

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www.capricornlogistics.com



OFFICE OF THE PR. COMMISSIONER OF CUSTOMS
(GENERAL),

प्रधान सीमा शुल्क आयुक्त (सामान्य) का कार्यालय
CUSTOMS BROKER SECTION, NEW CUSTOM HOUSE,
करस्टम्स ब्रोकर अनुभाग, नया कस्टम हाउस
BALLARD ESTATE, MUMBAI - 400 001.
बैलार्ड एस्टेट, मुंबई - 400 001.
Email-Id: cbsec.nch@gov.in

F.no: GEN/CB/212/2026-CBS

Date: #ApprovedDate#

DIN: 20260777000000219377

SHOW CAUSE NOTICE NO. 23/2026-27

UNDER REGULATION 17 OF THE CUSTOMS BROKER LICENSING REGULATION,
2018

M/s. Capricorn Logistics Pvt. Ltd. (Lic. No. 11/1805 & PAN: AABCC6364M) having registered address: 13-13A, Keytuo Industrial Estate, 220, Kondivita Road, Andheri (East), Mumbai- 400 059 (hereinafter referred to as the Customs Broker/CB) is the holder of Customs Broker License No. (11/1805) (PAN No. AABCC6364M), issued by the Commissioner of Customs, Mumbai under Regulation 7(1) of CHALR, 2004 erstwhile (now Regulation 7(2) of CBLR, 2018) and as such, they are bound by the regulations and conditions stipulated therein.

1.1 A report regarding the offences made by the CB, issued by the Additional Director, DRI, MZU vide letter F. No. DRI/MZU/NS-II/INT- 47/2026 dated 17.04.2026; was received in the Customs Broker Section, NCH, Mumbai Zone-I. The report, inter alia, conveyed the following information:

Brief facts of the case:

2. This is a case involving access pass of the C.B. and executed/facilitated the illegal acts. Acting on specific intelligence, the Directorate of Revenue Intelligence, Mumbai Zonal Unit, that a container (No. TGHU6099161), covered under B/L No. JSSONSA2603010 dtd. 18.03.2026, imported in the name of M/s. C.K. International (IEC: CSNPD7021D), mis-declared to contain "Household Items and Cleaning Product" had reached M/s. ICTPL Globicon CFS on 09.04.2026 and goods contained therein were being unauthorizedly removed from the Customs area by members of the syndicate.
3. Acting promptly, DRI officers rushed to the CFS and secured the container and the imported goods. It was observed that the imported goods were being hurriedly transferred to another vehicle/truck. The consignment was being unauthorizedly removed without filing a Bill of Entry, and without requisite Customs permission, by illegally breaking the container seal. The examination conducted on 12.04.2026 revealed that the entire consignment, declared as "Household Items and Cleaning Product," actually comprised of Chinese-origin "Fireworks/Firecrackers", having a market value of appx. Rs 3.99 crore.
4. Further, another vehicle/ trailer carrying palletised goods in cartons labelled "Made in China" of value appx. Rs 5 lakh, was positioned nearby to replace the goods after unloading of smuggled goods from the container and the said trailer had entered CFS under the guise of carrying 'export goods'. On examination, some of these cartons were found to contain household goods, whereas many others were found empty.
5. Preliminary investigation by DRI indicates that the smuggling and subsequent attempted clandestine removal of the firecrackers from the CFS was orchestrated, abetted, and facilitated by a syndicate, which included a persons named Shri Sandeep Shukla, a salaried employee engaged in Cargo Clearance work of authorized Customs Broker M/s Capricorn Logistics Pvt.

Ltd. (CLPL) (License No. 11/1805 and PAN: AABCC6364M). He holds a company ID in the name of the said Customs Broker, and a Brihanmumbai Custom Brokers Association (BCBA) pass under the name of the said Customs Broker. He possesses neither a 'G' card nor an 'H' card, as mandated by the Custom Broker Licensing Regulations (CBLR), 2018 for the Customs related work.

6. Based on the investigation conducted by DRI, it appears that to execute the physical cargo substitution inside the CFS, Shri Sandeep Shukla employed by M/s. CLPL used the access pass of the Customs Broker and executed/facilitated the following illegal acts:

- a. Unauthorised Entry of Private Persons: Shri Sandeep Shukla, the employee and pass holder of the Customs Broker, arranged the entry of labourers from outside for the 'container stuffing' by using copy of the letter head of M/s CLPL, obtained the permission slip for entry of the labourers in the guise of stuffing the Export cargo covered under a checklist/ shipping bill filed by M/s CLPL. However, these labours, instead of stuffing the mentioned export cargo, were found to be involved in the clandestine removal of the prohibited imported goods from the container no. TGHU6099161.
- b. Unauthorised Entry of Vehicle with so called 'Export' Cargo for Substitution: Shri Sandeep Shukla, the employee and pass holder of the Customs Broker, requested entry of three vehicles against Checklist/ shipping bill (No. 2259124 dated 9th April 2026) declaring export goods as 'Industrial Valves', filed by M/s CLPL. One of the vehicles among these was used by Shri Sandeep Shukla to bring 'Household Items and Cleaning Product' to replace them with the imported fireworks. It did not carry any declared export goods i.e., industrial valves.
- c. Unauthorised Placement of Container in Hazardous Cargo Area: Shri Sandeep Shukla, the employee and pass holder of the Customs Broker, without having any G or H card for Customs Work entered the Customs area and instructed the CFS Kalmar operator to move the import container to hazardous area for substituting the prohibited imported goods.
- d. Unauthorised Seal Cutting: Shri Sandeep Shukla, the employee and pass holder of the Customs Broker, influenced the CFS Seal Cutter to cut the seal of the import container, without any official documentation, requisite permission, or the presence of the designated Customs officer.

7. **Role of Customs Broker:**

In view of the above, the preliminary investigation indicates that M/s. Capricorn Logistics Pvt. Ltd. (License No. 11/1805 and PAN: AABCC6364M) violated, inter alia, the following key provisions of CBLR, 2018:

7.1 **Regulation 10(b):** Failing to ensure that only his employees authorized under CBLR, 2018 (and not a mere BCBA pass holder with no 'G' or 'H' Card authority) are transacting Customs related business in the Customs Station.

"transact business in the Customs Station either personally or through an authorised employee duly approved by the Deputy Commissioner of Customs or Assistant Commissioner of Customs, as the case may be;"

7.2 **Regulation 10(d):** Failed to advise his client with regards to importation of firecrackers, which is prohibited/restricted goods.

"advise his client to comply with the provisions of the Act, other allied Acts and the rules and regulations thereof, and in case of non-compliance, shall bring the matter to the notice of the Deputy Commissioner of Customs or Assistant Commissioner of Customs, as the case may be;"

7.3 **Regulation 10(e):** Failed to exercise due diligence to ascertain the correctness of information with regards to importation & Customs clearance of prohibited/restricted goods i.e. firecrackers.

"exercise due diligence to ascertain the correctness of any information which he imparts to a client with reference to any work related to clearance of cargo or baggage;"

7.4 **Regulation 10(k):** Failing to maintain up to date record of shipping bill to ensure that correct number of vehicles are entering the Customs area for bringing the export cargo.

"Maintain up to date records such as bill of entry, shipping bill, transshipment application, etc., all correspondence, other papers relating to his business as Customs Broker and accounts including financial transactions in an orderly and itemised manner as may be specified by the Principal Commissioner of Customs or Commissioner of Customs or the Deputy Commissioner of Customs or Assistant Commissioner of Customs, as the case may be"

7.5 **Regulation 10(q):** Failing to ensure that their employee Shri Sandeep Shukla is co-operating with the Customs authorities and is joining investigations promptly in the event of the inquiry against him, as Shri Sandeep Shukla has not joined the investigation despite being issued summons.

"co-operate with the Customs authorities and shall join investigations promptly in the event of an inquiry against them or their employees"

7.6 **Regulation 13(9):** Failing to ensure that only his employees authorized under CBLR, 2018 (and not a mere BCBA pass holder with no 'G' or 'H' Card authority) are transacting Customs related business in the Customs Station. In the instant case, Shri Sandeep Shukla (a BCBA pass holder with no 'G' or 'H' Card authority) was found actively involved in abetting and facilitating the organised smuggling syndicate in unauthorised removal and substitution of the smuggled goods i.e. firecrackers within the CFS.

"The Deputy Commissioner of Customs or Assistant Commissioner of Customs, as the case may be, shall issue a photo-identity card to every person employed by a Customs Broker in Form H in case he has not passed the examination referred to in sub-regulation (4) for a period of five years:

Provided that the minimum educational qualification of such a person shall be 10+2."

7.7 **Regulation 13(12):** Failing to exercise effective supervision necessary to ensure the proper conduct of employees in the transaction of business.

"The Customs Broker shall exercise such supervision as may be necessary to ensure proper conduct of his employees in the transaction of business and he shall be held responsible for all acts or omissions of his employees during their employment"

7.8 **Regulation 14(c):** Gross Misconduct by the Customs Broker's employee by actively facilitating the clandestine removal of the smuggled goods through:

- facilitation of unauthorized placement and seal cutting of the container.
- facilitation of unauthorized entry of the private labourers inside the CFS to carry out the clandestine removal of the prohibited imported goods.
- facilitation of entry of vehicle with so called 'Export' Cargo for substitution.

8. The involvement in organized smuggling, misuse of Customs processes, and serious revenue and security implications committed by the Customs Brokers involved, amount to a serious offence warranting stringent legal action under the Customs Broker Licensing Regulations (CBLR), 2018 and related statutes.

9. The misdeclaration and smuggling of the Chinese origin "Fireworks/Firecrackers", amount to a serious offence warranting stringent legal action under the Customs Broker Licensing Regulations (CBLR), 2018 and related statutes. Moreover, the gravity of the violations, which have serious fiscal and security implications, it appears that CB M/s. CAPRICORN LOGISTICS PVT. LTD. (11/1805 and PAN: AABCC6364M) was careless in his duties and knowingly helped in clearing mis declared goods. Thus, it appears that the CB M/s. CAPRICORN LOGISTICS PVT. LTD. (11/1805 and PAN: AABCC6364M) has committed a gross offence and violated regulations 10(b), 10(d), 10(e), 10(k), 10(q), 13(9), 13(12) and 14(c) of the Customs Broker Licensing Regulations, 2018, which have made them unfit to transact any business at Mumbai Customs and also in other Customs Stations.

10. Accordingly, the subject license was suspended vide Order No. 03/2026-27 dated 22.04.2026 by the competent authority.

11. Further, in connection to the above, another letter dated 06.05.2026 has been received from DRI, MZU stating that, during the course of further investigation, the employee of the said Customs Broker, namely Shri Vaibhav Popat Neharkar, an 'H' Card Holder, who is well-versed in clearance and operational procedures, and Shri Sandeep Shukla, BCBA Pass Holder and Assistant Manager (Exports) of ICTPL CFS, were found to be actively involved in abetting and facilitating the clandestine removal of prohibited/restricted goods, unauthorized smuggling, and the unauthorized removal and substitution of the smuggled goods, i.e., firecrackers, within the CFS. It was further revealed that Shri Vaibhav Popat Neharkar had conspired with other accomplices on at least two previous occasions and appears to be a habitual offender. He admitted to his involvement in such facts on previous occasions where goods were substituted and removed using false documentation for monetary consideration.

11.1 In view of the above, it appears that the employees of the Customs Broker, including the 'H' Card Holder, were involved in repeated offences rather than in an isolated act of attempted clandestine removal and substitution of smuggled goods from the CFS.

11.2 Therefore, the contention of the Customs Broker that only a non-card holder employee was responsible, has been rejected, as the 'H' Card Holder was found to be directly implicated in the matter.

11.3 Further, it is also pertinent to mention here that the license of ICTPL CFS had already been suspended vide order dated 13.04.2026 passed by the Commissioner of Customs (NS-General), JNCH, and the suspension was continued vide order dated 05.05.2026.

12. Upon suspension of the CB license on 22.04.2026, an opportunity for a personal hearing was scheduled on 13.05.2026 at 12:45 hrs.

13. Further, after going through the submissions of the Customs Broker and subject offence report, the subject license no. (11/1805 and PAN: AABCC6364M), pertains to M/s CAPRICORN LOGISTICS PVT. LTD. was ordered for Continuation of Suspension vide Order No. 05/2026-27 dated 20.05.2026 under Regulation 16(2) of the CBLR, 2018.

14. Thus, in view of the above discussions in above paras, prima-facie, it appears that the Customs Broker has failed to fulfil the obligations under the provisions of Regulation 10(b), 10(d), 10(e), 10(k), 10(q), 13(9), 13(12) and 14(c) of the CBLR, 2018 and contravened the same.

15. In view of the above, in terms of Regulation 17(1) of CBLR, 2018, the Customs Broker M/s. CAPRICORN LOGISTICS PVT. LTD. is hereby called upon to show cause notice, as to why:

- (i) The license bearing no (11/1805), issued to them, should not be revoked;
- (ii) Security deposit should not be forfeited;

(iii) Penalty should not be imposed Upon them under Regulation 14 read with Regulation 17 & 18 of the CBLR, 2018 for their failure to comply with the provisions of CBLR, 2018, as elaborated in above paras within 30 days from the date of issue of this notice.

16. They are directed to appear for personal hearing on the date & time as may be fixed and to produce evidence/documents, if any, in their defence to the Inquiry Officer, Shri. Jashwanth Dinkar Assistant/Deputy Commissioner of Customs, Import-2 Commissionerate, Mumbai Zone I, who shall conduct inquiry under Regulation 17 of CBLR, 2018. If no reply is received within the stipulated time, it will be presumed that they have no explanation to offer, and it will be presumed that they do not want personal hearing and the issue will be decided on the facts available on records.

17. This notice is being issued prejudice to any other action that may be taken against the CB or any other person (s)/ firm (s) etc., under the provisions of the Customs Act, 1962 and Rules/ Regulations framed there under or any other law for the time being in force.


15.7.26

(Ajay Kumar Pandey)

Pr. Commissioner of Customs, CBS (General)
New Customs House, Mumbai, Zone- I

Encl: RUDs.

To,

M/s. CAPRICORN LOGISTICS PVT. LTD. (11/1805 and PAN:
AABCC6364M)

13-13A KeyTuo Industrial Estate, 220 Kondivita Road, Andheri
(East), Mumbai 400 059.

Copy to:

1. The Pr./Chief Commissioner of Customs, Mumbai Zone I, II, III.
2. The Additional Director, DRI, Mumbai Zonal Unit.
3. The Commissioner of Customs, Mumbai Zone I, II, III.
4. EDI of NCH, ACC & JNCH.
5. BCBA.
6. Office copy.
7. Notice Board.



राजस्व आसूचना निदेशालय

DIRECTORATE OF REVENUE INTELLIGENCE

मुंबई आंचलिक इकाई / MUMBAI ZONAL UNIT

13, सर विठ्ठलदास थैकसी मार्ग, मरीन लाइन्स, मुंबई - ४०००२०

13, Sir Vitthaladas Thackersey Marg, New Marine Lines, Mumbai - 400020

Tel No. ☎ (022) 22050191/92/93/94

✉ drimzu@gov.in

F.No. DRI/MZU/NS-II/INT-47/2026

Date: 06.05.2026

Most Urgent
Confidential

To,
The Commissioner of Customs (General)
New Custom House
Ballard Estate, Mumbai-400001

Subject: Investigation into a case of organised smuggling of Fireworks/Firecrackers - violations of Custom Broker Licensing Regulations (CBLR), 2018 by M/s Capricorn Logistics Pvt. Ltd. (License No. 11/1805 and PAN: AABCC6364M) – Reg.

Madam,

Please refer to the letter No. GEN/CB/212/2026-CBS dated 28.04.2026, issued by the Additional Commissioner of Customs, CBS (General), NCH, Mumbai on the above mentioned subject, that has referred to the letters dated 27.04.2026 of CB M/s. Capricorn Logistics Pvt. Ltd, with respect to the revocation of the suspension of its license.

2. In this regard, the letter no. DRI/MZU/NS-II/INT-47/2026, dated 17.04.2026 issued by this office recommending necessary action under the CBLR including suspension of the license of CB M/s. Capricorn Logistics Pvt. Ltd may be referred. In the said letter, the role of Shri Sandeep Shukla, an employee of the CB M/s. Capricorn Logistics Pvt., in carrying out the clandestine removal was clearly brought out including abetting and facilitation of unauthorised grounding of the container, seal cutting, entry of replacement goods truck and labourers inside the CFS.

3. During the course of further investigation, the following additional facts have emerged in relation to CB M/s. Capricorn Logistics Pvt.:

- (i) The Customs Broker's employees namely Shri Vaibhav Popat Neharkar, 'H' Card Holder and Shri Sandeep Shukla, BCBA pass Holder and the Assistant Manager (Exports) of ICTPL CFS are found actively involved in abetting and facilitating the organised smuggling syndicate in unauthorised removal and substitution of the smuggled goods i.e. firecrackers within the CFS.
- (ii) Shri Vaibhav Popat Neharkar, 'H' Card Holder of CB is found to be well-versed in clearance and operational procedures, who misused the details of his CB firm and its license, connived with the Assistant Manager (Exports) and employees of ICTPL, and facilitated the clandestine removal of prohibited/restricted imported goods i.e. firecrackers. It was also revealed that Shri Vaibhav Popat Neharkar conspired with other accomplices on atleast two previous occasions and appears to be a repeated offender, misusing CB firm's license. He admitted to his involvement in such acts on previous occasions where goods were substituted and removed using false documentation for monetary consideration.

(iii) Further investigation revealed that Shri Sandeep Shukla was involved in the shifting of the container, facilitating entry of labourers and vehicles, illegal seal cutting, coordination with Shri Vaibhav Popat Neharkar, 'H' Card Holder and others, and supervision of unloading of firecrackers from the container and loading thereof into Truck No. MH-04 KU-3433. Shri Sandeep Shukla admitted that he was active member of the syndicate and in connivance with Shri Vaibhav Popat Neharkar and the Assistant Manager (Exports) of ICTPL, abetted in the clandestine clearances and substitution of cargo including previous two occasions too.

4. In view of above, it appears that employees of the Customs Broker, including its 'H card holder' were involved in the repeat offenses rather in one isolated act of attempted clandestine removal and substitution of smuggled goods from CFS.

5. CB's contention that the act has been done by an employee Sandeep Shukla, who is not a G or H card holder and was not authorized to handle the export/ Import cargo, is completely erroneous, as the investigation has now brought on record the active role of CB's 'H card holder', namely Shri Vaibhav Popat Neharkar who not only been actively involved in the planning and organising the removal and substitution of smuggled goods from container no. TGHU6099161, but was also involved such activities at least on two occasions in the past alongwith Shri Sandeep Shukla.

6. Furthermore, the responsibility to ensure that declarations match physical reality rests squarely on the licensed Broker filing the documents. The CB cannot absolve its statutory due diligence and responsibilities cast upon them under CB Regulations 2018, to the Customs Gate PO and the CFS.

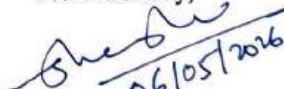
7. It may also be noted that the license of CFS ICTPL, which was found to be involved in the present case, was suspended by the Commissioner of Customs (NS-General), JNCH, vide order dated 13.04.2026, and the suspension has been continued until further orders vide order dated 05.05.2026 (copy enclosed).

8. These additional facts may also be considered for taking any further necessary action against CB M/s. Capricorn Logistics Pvt. Ltd. under Customs Brokers Regulations 2018.

9. This issues with the approval of Pr. ADG, DRI, MZU, Mumbai.



Yours faithfully,


(Shalabh Katiyar)
Additional Director

Copy to:

1. The Pr. Chief Commissioner of Customs, Mumbai Zone-I, NCH, Mumbai.
2. The Commissioner of Customs (General), JNCH, Mumbai Zone-II, Nhava Sheva.



**OFFICE OF THE PR. COMMISSIONER OF CUSTOMS
(GENERAL),**

प्रधान सीमा शुल्क आयुक्त (सामान्य) का कार्यालय
**CUSTOMS BROKER SECTION, NEW CUSTOM
HOUSE,**

कस्टम्स ब्रोकर अनुभाग, नया कस्टम हाउस
BALLARD ESTATE, MUMBAI - 400 001.

बैलार्ड एस्टेट, मुंबई - 400 001.

Email-Id: cbsec.nch@gov.in

F.No: GEN/CB/212/2026-CBS

Date:-#ApprovedDate

DIN:- 20260577000000058005

**ORDER No. 05/2026-27
UNDER REGULATION 16(2) OF THE CUSTOMS BROKER
LICENSING REGULATION, 2018**

M/s. Capricorn Logistics Pvt. Ltd. (Lic. No. 11/1805 & PAN: AABCC6364M) having registered address: 13-13A, Keytuo Industrial Estate, 220, Kondivita Road, Andheri (East), Mumbai- 400 059 (hereinafter referred to as the Customs Broker/CB) is the holder of Customs Broker License No. (11/1805) (PAN No. AABCC6364M), issued by the Commissioner of Customs, Mumbai under Regulation 7(1) of CHALR, 2004 erstwhile (now Regulation 7(2) of CBLR, 2018) and as such, they are bound by the regulations and conditions stipulated therein.

1.1 A report regarding the offenses committed by the CB, issued by the Pr. Additional Director General, DRI, MZU vide letter F. No. DRI/MZU/NS-II/INT- 47/2026 dated 17.04.2026; was received in the Customs Broker Section, NCH, Mumbai Zone-I. The report, inter alia, conveyed the following information:

Brief facts of the case:

2. This is a case involving access pass of the C.B. and executed/facilitated the illegal acts. Acting on specific intelligence, the Directorate of Revenue Intelligence, Mumbai Zonal Unit, that a container (No. TGHU6099161), covered under B/L No. JSSONSA2603010 dtd. 18.03.2026, imported in the name of M/s. C.K. International (IEC: CSNPD7021D), mis-declared to contain "Household Items and Cleaning Product" had reached M/s. ICTPL Globicon CFS on 09.04.2026 and goods contained therein were being unauthorizedly removed from the Customs area by members of the syndicate.
3. Acting promptly, DRI officers rushed to the CFS and secured the container and the imported goods. It was observed that the imported goods were being hurriedly transferred to another vehicle/truck. The consignment was being unauthorizedly removed without filing a Bill of Entry, and without requisite Customs permission, by illegally breaking the container seal. The examination conducted on 12.04.2026 revealed that the entire consignment, declared as "Household Items and Cleaning Product," actually comprised of Chinese-origin "Fireworks/Firecrackers", having a market value of appx. Rs 3.99 crore.

4. Further, another vehicle/ trailer carrying palletised goods in cartons labelled "Made in China" of value appx. Rs 5 lakh, was positioned nearby to replace the goods after unloading of smuggled goods from the container and the said trailer had entered CFS under the guise of carrying 'export goods'. On examination, some of these cartons were found to contain household goods, whereas many others were found empty.
5. Preliminary investigation by DRI indicates that the smuggling and subsequent attempted clandestine removal of the firecrackers from the CFS was orchestrated, abetted, and facilitated by a syndicate, which included a person named Shri Sandeep Shukla, a salaried employee engaged in Cargo Clearance work of authorized Customs Broker M/s Capricorn Logistics Pvt. Ltd. (CLPL) (License No. 11/1805 and PAN: AABCC6364M). He holds a company ID in the name of the said Customs Broker, and a Brihanmumbai Custom Brokers Association (BCBA) pass under the name of the said Customs Broker. He possesses neither a 'G' card nor an 'H' card, as mandated by the Custom Broker Licensing Regulations (CBLR), 2018 for the Customs related work.
6. Based on the investigation conducted by DRI, it appears that to execute the physical cargo substitution inside the CFS, Shri Sandeep Shukla employed by M/s. CLPL used the access pass of the Customs Broker and executed/facilitated the following illegal acts:
 - a. Unauthorised Entry of Private Persons: Shri Sandeep Shukla, the employee and pass holder of the Customs Broker, arranged the entry of labourers from outside for the 'container stuffing' by using copy of the letter head of M/s CLPL, obtained the permission slip for entry of the labourers in the guise of stuffing the Export cargo covered under a checklist/ shipping bill filed by M/s CLPL. However, these labourers, instead of stuffing the mentioned export cargo, were found to be involved in the clandestine removal of the prohibited imported goods from the container no. TGHU6099161.
 - b. Unauthorized Entry of Vehicle with so called 'Export' Cargo for Substitution: Shri Sandeep Shukla, the employee and pass holder of the Customs Broker, requested entry of three vehicles against Checklist/ shipping bill (No. 2259124 dated 9th April 2026) declaring export goods as 'Industrial Valves', filed by M/s CLPL. One of the vehicles among these was used by Shri Sandeep Shukla to bring 'Household Items and Cleaning Product' to replace them with the imported fireworks. It did not carry any declared export goods i.e., industrial valves.
 - c. Unauthorized Placement of Container in Hazardous Cargo Area: Shri Sandeep Shukla, the employee and pass holder of the Customs Broker, without having any G or H card for Customs Work entered the Customs area and instructed the CFS Kalmar operator to move the import container to hazardous area for substituting the

prohibited imported goods.

- d. Unauthorized Seal Cutting: Shri Sandeep Shukla, the employee and pass holder of the Customs Broker, influenced the CFS Seal Cutter to cut the seal of the import container, without any official documentation, requisite permission, or the presence of the designated Customs officer.

7. **Role of Customs Broker:**

In view of the above, the preliminary investigation indicates that M/s. Capricorn Logistics Pvt. Ltd. (License No. 11/1805 and PAN: AABCC6364M) violated, inter alia, the following key provisions of CBLR, 2018:

- 7.1 **Regulation 10(b):** Failing to ensure that only his employees authorized under CBLR, 2018 (and not a mere BCBA pass holder with no 'G' or 'H' Card authority) are transacting Customs related business in the Customs Station.

"transact business in the Customs Station either personally or through an authorised employee duly approved by the Deputy Commissioner of Customs or Assistant Commissioner of Customs, as the case may be;"

- 7.2 **Regulation 10(k):** Failing to maintain up to date record of correct number of vehicles are entering the Customs area for bringing the export cargo.

"Maintain up to date records such as bill of entry, shipping bill, transshipment application, etc., all correspondence, other papers relating to his business as Customs Broker and accounts including financial transactions in an orderly and itemised manner as may be specified by the Principal Commissioner of Customs or Commissioner of Customs or the Deputy Commissioner of Customs or Assistant Commissioner of Customs, as the case may be"

- 7.3 **Regulation 10(q):** Failing to ensure that their employee Shri Sandeep Shukla is co-operating with the Customs authorities and is joining investigations promptly in the event of the inquiry against him, as Shri Sandeep Shukla has not joined the investigation despite being issued summons.

"co-operate with the Customs authorities and shall join investigations promptly in the event of an inquiry against them or their employees"

- 7.4 **Regulation 13(12):** Failing to exercise effective supervision necessary to ensure the proper conduct of employees in the transaction of business.

"The Customs Broker shall exercise such supervision as may be necessary to ensure proper conduct of his employees in the transaction of business and he shall be held responsible for all acts or omissions of his employees during their employment".

7.5 **Regulation 14(c):** Gross Misconduct by the Customs Broker's employee by actively facilitating the clandestine removal of the smuggled goods through:

- facilitation of unauthorized placement and seal cutting of the container.
- facilitation of unauthorized entry of the private labourers inside the CFS to carry out the clandestine removal of the prohibited imported goods.
- facilitation of entry of vehicle with so called 'Export' Cargo for substitution.

8. The involvement in organized smuggling, misuse of Customs processes, and serious revenue and security implications committed by the Customs Brokers involved, amount to a serious offence warranting stringent immediate action under the Customs Broker Licensing Regulations (CBLR), 2018 and related statutes.

9. The misdeclaration and smuggling of the Chinese origin "Fireworks/Firecrackers", amount to a serious offence warranting stringent legal action under the Customs Broker Licensing Regulations (CBLR), 2018 and related statutes. Moreover, the gravity of the violations, which have serious fiscal and security implications, it appears that CB M/s. CAPRICORN LOGISTICS PVT. LTD. (11/1805 and PAN: AABCC6364M) was careless in his duties and knowingly helped in clearing mis declared goods. Thus, it appears that the CB M/s. CAPRICORN LOGISTICS PVT. LTD. (11/1805 and PAN: AABCC6364M) has committed a gross offence and violated regulations 10 (b), 10(k), 10(q), 13(12) and 14(c) of the Customs Broker Licensing Regulations, 2018, which have made them unfit to transact any business at Mumbai Customs and also in other Customs Stations.

10. Accordingly, the subject license was suspended vide Order No. 03/2026-27 dated 22.04.2026 by the competent authority.

11. Further, in connection to the above, another letter dated 06.05.2026 has been received from DRI, MZU stating that, during the course of further investigation, the employee of the said Customs Broker, namely Shri Vaibhav Popat Neharkar, an 'H' Card Holder, who is well-versed in clearance and operational procedures, and Shri Sandeep Shukla, BCBA Pass Holder and Assistant Manager (Exports) of ICTPL CFS, were found to be actively involved in abetting and facilitating the clandestine removal of prohibited/restricted goods, smuggling, and the unauthorized removal and substitution of the smuggled goods, i.e., firecrackers, within the CFS. It was further revealed that Shri Vaibhav Popat Neharkar had conspired with other accomplices on at least two previous occasions and appears to be a habitual offender. He admitted to his involvement in such facts on previous occasions where goods were substituted and removed using false documentation for monetary consideration.

11.1 In view of the above, it appears that the employees of the Customs Broker, including the 'H' Card Holder, were involved in

repeated offences rather than in an isolated act of attempted clandestine removal and substitution of smuggled goods from the CFS.

11.2 Therefore, the contention of the Customs Broker that only a non-card holder employee was responsible, has been rejected, as the 'H' Card Holder was found to be directly implicated in the matter.

11.3 Further, it is also pertinent to mention here that the license of ICTPL CFS had already been suspended vide order dated 13.04.2026 passed by the Commissioner of Customs (NS-General), JNCH, and the suspension was continued vide order dated 05.05.2026.

12. Upon suspension of the CB license on 22.04.2026, an opportunity for a personal hearing was scheduled on 13.05.2026 at 12:45 hrs.

RECORD OF PERSONAL HEARING & WRITTEN SUBMISSION OF THE CUSTOMS BROKER:

Pursuant to issuance of Suspension Order No. 03/2026-27 dated 22.04.2026, Shri. Sheetal Sadanand Shetty, Managing Director in the CB firm and authorise consultant, Shri Prakash Shah, appeared on behalf of the Customs broker for personal hearing on 13.05.2026 at 12:45 PM. During Personal Hearing, Representatives of CB reiterated their written submission dated 11.05.2026.

13. The CB, vide his written submission dated 11.05.2026 received on 13.05.2026, inter-alia submitted:

13.1 That the Suspension Order No. 03/2026-27 CBS dated 22.04.2026 has been passed solely on the basis of a preliminary and ex-parte DRI investigation report bearing F. No. DRI/MZU/NS-IV/INT-47/2026 dated 17.04.2026 without conducting any inquiry, without issuance of any Show Cause Notice and without affording any opportunity of hearing prior to suspension.

13.2 That Regulation 16(1) of CBLR, 2018 permits suspension only where "immediate action" is necessary pending inquiry and the said power cannot be exercised mechanically merely on the basis of allegations. The CB submitted that there is no finding in the Suspension Order establishing any immediate necessity warranting suspension of license.

13.3 That the allegations leveled against the CB are vague, general, unsupported by cogent evidence and based merely on assumptions and presumptions. The CB submitted that the impugned order does not disclose any concrete material establishing active involvement, connivance or deliberate misconduct on the part of the Customs Broker.

13.4 That no inquiry has been conducted to establish the alleged role of the CB in the matter and no evidence has been brought on record to show that the CB had knowledge of any alleged misdeclaration or irregularity committed by the importer/exporter.

13.5 That the CB had acted strictly in accordance with the provisions of the Customs Broker Licensing Regulations, 2018 and had undertaken the clearance work on the basis of documents provided by the client/importer in the ordinary course of business.

13.6 That the suspension order has been issued in gross violation of the principles of natural justice inasmuch as no opportunity was granted to the CB to explain its position prior to suspension of license.

13.7 That the Customs Broker license is the sole source of livelihood of the CB firm and suspension of the license has caused grave financial hardship and irreparable loss to the firm and its employees.

13.8 That there is no allegation or evidence showing that the CB had gained any monetary benefit from the alleged transactions or had abetted the alleged acts of misdeclaration.

13.9 That the CB relied upon various judicial pronouncements wherein it has been consistently held that suspension under Regulation 16 is an extraordinary measure and can be resorted to only in cases where immediate action is absolutely necessary. The CB relied upon the following case laws:

(a) *Aradhya Export Import Consultants Pvt. Ltd. Vs Commissioner of Customs* [CUSAA 81/2023, Delhi High Court].

(b) *Silverline Global Freight Pvt. Ltd. Vs Commissioner of Customs* [CESTAT Delhi, 2025].

13.10 That the Hon'ble Delhi High Court in the case of *Aradhya Export Import Consultants Pvt. Ltd.* had held that suspension under Regulation 16 cannot be treated as a penalty and can only be invoked as a temporary preventive measure where immediate action is necessary pending inquiry.

13.11 That the Hon'ble CESTAT Delhi in the case of *Silverline Global Freight Pvt. Ltd. Vs Commissioner of Customs* [2025] set aside suspension of Customs Broker license holding that where no reasons are given for immediate suspension and there is no specific proof of active role of the CB in misdeclaration, the suspension order is unjustified.

13.12 That the impugned order is founded entirely on a preliminary intelligence/investigation report received from DRI and no inquiry has been conducted, no show cause notice has been issued and no opportunity to respond was afforded prior to suspension.

13.13 That as on the date of personal hearing, the CB had fully cooperated with the DRI investigation and had handed over Shri Sandeep Shukla, the concerned employee, to the DRI investigation team on 24.04.2026 after extensive search efforts, thereby eliminating any possibility of obstruction to investigation.

13.14 That the allegation in paragraph 2 of the Suspension Order that the case involved misuse of the CB's access pass to execute/facilitate illegal acts is incorrect and misconceived. The CB submitted that the import consignment in question was imported in the name of M/s. C. K. International and was not a client of the CB.

13.15 That the CB's involvement at M/s. ICTPL Globicon CFS was only in respect of an export consignment covered under Shipping Bill No. 2259124 dated 09.04.2026 declaring "Industrial Valves" and the said export consignment had already been granted Let Export Order by Customs.

- 13.16 That the BCBA pass and company ID card issued in the name of Shri Sandeep Shukla were allegedly misused by him in his individual capacity and not as an authorized representative acting on behalf of the CB firm.
- 13.17 That the Hon'ble Delhi High Court in the case of *Commissioner of Customs Vs Jaiswal Import Cargo Services Ltd.* [CUSAA 11/2025] held that the primary responsibility in import-related violations rests with the importer and allegations against the Customs Broker must be supported by cogent evidence.
- 13.18 That the allegation recorded in paragraph 5 of the Suspension Order that Shri Sandeep Shukla was part of a syndicate is based solely on his status as a salaried employee and no evidence has been brought on record to establish connivance or involvement of the management of the CB firm.
- 13.19 That the Hon'ble Bombay High Court in the case of *Commissioner of Customs (General) Vs Worldwide Cargo Movers* [2010 (259) E.L.T. 180 (Bom.)] held that vicarious liability of an employer arises only when the employee acts within the authorized scope of employment and not where the employee acts independently for personal gain.
- 13.20 That the allegation under Regulation 10(a) of CBLR, 2018 regarding unauthorized use of ID card is unsustainable as Shri Sandeep Shukla was authorized only for limited operational tasks relating to export cargo handling at the CFS gate and not for transacting customs-related business independently.
- 13.21 That the allegation under Regulation 10(d) of CBLR, 2018 is baseless as the CB had exercised due diligence and maintained proper internal records including truck details and cargo documents relating to the export consignment.
- 13.22 That the allegation under Regulation 10(n) of CBLR, 2018 is also unsustainable since the CB had maintained proper supervision and records regarding movement of export cargo and had no knowledge regarding alleged unauthorized activities undertaken independently by the employee.
- 13.23 That the allegation under Regulation 10(q) of CBLR, 2018 regarding non-cooperation with investigation is factually incorrect as the CB had continuously cooperated with DRI officers, shared all available information and actively assisted in tracing the concerned employee.
- 13.24 That the Customs Broker license is the sole source of livelihood of the CB firm and suspension of license has caused grave financial hardship and irreparable loss to the firm and its employees.
- 13.25 That the CB prayed that considering the facts and circumstances of the case and in absence of any cogent evidence establishing active involvement or connivance of the CB firm, the suspension of Customs Broker License No. 11/1805 may kindly be revoked forthwith pending completion of inquiry proceedings, if any.

DISCUSSIONS AND FINDINGS:

14. I have gone through the facts and records of the case, the written defense submission. Upon thorough examination of the case records, including the written submissions from the Customs Broker and the arguments presented during the personal hearing, the relevant facts and investigation findings have been outlined in the preceding paragraphs and will not be reiterated here for sake of brevity.

14.1 The primary issue under consideration is whether Suspension Order No. 03/2026-27 dated 22.04.2026 should be upheld or revoked. After carefully examining the submissions and the case law cited by the CB, I find that the precedents relied upon are not relevant to the facts and circumstances of the present case. The power under Regulation 16(1) of the CBLR, 2018 confers power to the Principal Commissioner/Commissioner of Customs, as the case may be, to suspend the license of the Customs Broker where an inquiry against such Customs Broker is pending or contemplated and immediate action is warranted. In the instant case, since an inquiry was contemplated against the said CB as intimated by the investigating agency i.e. DRI, Mumbai, hence, I found that it's an appropriate case for suspension where immediate action was necessary in order to stop all customs clearance related work to safeguard the revenue. In terms of Regulation 16(2) of CBLR, 2018, an opportunity of hearing was granted to the CB on 13.05.2026 at 12:45 PM and same has been attended by the said Customs Broker through their authorized consultant. However, orders issued under Regulations 16(1) and 16(2) of the CBLR, 2018 are temporary measures and final order is to be issued under Regulation 17 of CBLR, 2018 after issuance of Show Cause Notice and due inquiry.

14.2 Regarding the violation of Regulation 10(b) of CBLR, 2018, the preliminary investigation indicates that the Customs Broker failed to ensure that only his employees authorized under CBLR, 2018 (and not a mere BCBA pass holder with no 'G' or 'H' Card authority) are transacting Customs related business in the Customs Station. In the instant case, salaried employees of CB M/s. Capricorn Logistics Pvt. Ltd. (Lic. No. 11/1805 & PAN: AABCC6364M) namely Shri Sandeep Shukla, BCBA pass holder & Asstt. Manager (Exports) of ICTPL CFS and Shri Vaibhav Popat Neharkar, 'H' Card Holder are found actively involved in abetting and facilitating the organized smuggling syndicate in unauthorized removal and substitution of the smuggled goods i.e. firecrackers within the CFS.

14.3 I find that this conduct clearly indicates a violation of Regulation 10(b) of the Customs Broker Licensing Regulations (CBLR), 2018, representing a serious breach of the duties and obligations prescribed under the said Regulation. In its submission dated 11.05.2026, the Customs Broker has stated that Shri Sandeep Shukla has committed this offence in his personal capacity and not as the employee of the said CB. This argument does not hold ground as the Customs Broker can not run away from the obligations prescribed under CBLR, 2018. However, with regards to Shri Vaibhav Popat Neharkar, 'H' Card Holder of the said CB, no justification of his involvement has been given in their said submission dated 11.05.2026. Therefore, it is apparent that the CB has violated the said provision.

14.4 Regarding the violation of Regulation 10(k) of CBLR, 2018, the preliminary investigation indicates that the Customs Broker failed to maintain up to date record to ensure that correct number of vehicles are entering the Customs area for bringing the export cargo. In its

submission dated 11.05.2026, the Customs Broker has stated that they have e-mailed to Shri Sandeep Shukla specifying one truck for the export of goods covered under SB no. 2259124 dated 09.04.2026 and gatekeeping of vehicles at the CFS is not responsibility of CB. This is exclusive function of the CFS and Customs Gate PO.

14.5 I find that Shri Sandeep Shukla, a salaried employee of the said CB has been found actively involved in unauthorized removal and substitution of the smuggled goods i.e. firecrackers within the CFS along with Shri Vaibhav Popat Neharkar, 'H' Card Holder of the said CB. Thus, involvement of both of them cannot be seen in isolation, which indicates that the CB has violated Regulation 10(k) of CBLR, 2018.

14.6 Regarding the violation of Regulation 10(q) of CBLR, 2018, the preliminary investigation indicates that the Customs Broker failed to ensure that their employee Shri Sandeep Shukla is co-operating with the Customs authorities and is joining investigations promptly in the event of the inquiry against him, as Shri Sandeep Shukla did not join the investigation despite being issued summons.

14.7 I find that the specific intelligence regarding the unauthorized removal and substitution of the smuggled goods i.e. firecrackers was received to DRI, Mumbai Zonal Unit on 11.04.2026 and a letter regarding urgent necessary action to be taken against the said CB was received in this office on 17.04.2026. In the meantime, Shri Sandeep Shukla did not present himself before the investigating agency despite multiple attempts made by the said CB to make him present as claimed by them in their submission dated 11.05.2026. However, it is to be noted that Shri Sandeep Shukla presented himself before the investigating agency on 24.04.2026 i.e. after the suspension of the license of said CB. In view of the foregoing, it is apparent that the CB has violated the said provision.

14.8 Regarding the violation of Regulation 13(12) of CBLR, 2018, the preliminary investigation indicates that the Customs Broker failed to exercise effective supervision necessary to ensure the proper conduct of employees in the transaction of business.

14.9 In the instant case, I find that the Customs Broker failed to exercise proper supervision and control over its employees namely Shri Sandeep Shukla, BCBA pass holder & Asstt. Manager (Exports) of ICTPL CFS and Shri Vaibhav Popat Neharkar, 'H' Card Holder in the conduct of customs business. The acts and omissions committed by the employees indicate lack of due monitoring and oversight on the part of the Customs Broker, thereby rendering the Customs Broker liable under Regulation 13(12) of CBLR, 2018. Thus, the Customs Broker has violated Regulation 13(12) of CBLR, 2018 by failing to ensure proper conduct of its employees and by not exercising adequate supervision over their activities during the transaction of customs business.

14.10 Regarding the violation of Regulation 14(c) of CBLR, 2018, the preliminary investigation indicates Gross Misconduct by the Customs Broker's employees by actively facilitating the clandestine removal of the smuggled goods through:

- facilitation of unauthorized placement and seal cutting of the container.

- facilitation of unauthorized entry of the private labourers inside the CFS to carry out the clandestine removal of the prohibited imported goods.
- facilitation of entry of vehicle with so called 'Export' Cargo for substitution.

14.11 I find that misconduct committed by CB's employees namely Shri Sandeep Shukla, BCBA pass holder & Asstt. Manager (Exports) of ICTPL CFS and Shri Vaibhav Popat Neharkar, 'H' Card Holder indicates lack of exercise of effective supervision necessary to ensure the proper conduct of employees in the transaction of business, which is mandatory on the part of Customs Broker. CB cannot run away from discharging these obligations by claiming that the employees have done the whole act in their personal capacities. In their submission dated 11.05.2026, the said CB has failed to justify their failure in fulfilling their obligations to stop the gross misconduct by their employees. Therefore, it is apparent that the CB has violated the said provision.

15. The CB has a very important role in customs clearances and a lot of trust has been placed by the Department on the CB. In the context of trade facilitation, where an increasing number of goods are processed through Risk Management Systems without customs examination, the role of the Customs Broker (CB) has become even more critical in ensuring that the country's economic borders are effectively protected. However, in the present case, the gross negligence and dereliction of duty exhibited by the Customs Broker posed a significant threat to the Indian economy at large. In the era of trade facilitation, the Customs Broker works as a bridge between the importer and Customs authorities. However, in the instant case, it appears that CB M/s. Capricorn Logistics Pvt. Ltd. (Lic. No. 11/1805 & PAN: AABCC6364M) did not perform its duties and the preliminary investigation indicates gross misconduct by the Customs Broker's employees by actively facilitating the clandestine removal of the smuggled goods through facilitation of unauthorized placement and seal cutting of the container, facilitation of unauthorized entry of the private labourers inside the CFS to carry out the clandestine removal of the prohibited imported goods and facilitation of entry of vehicle with so called 'Export' Cargo for substitution. This amounts to a serious offence warranting stringent legal action under the Customs Broker Licensing Regulations (CBLR), 2018 and related statutes. In this regard, I rely on the judgement of the Hon'ble Supreme Court in case of Commissioner of Customs vs M/s K.M. Ganatra & Co. has held that:

"the Customs House Agent (CHA) occupies a very important position in the customs house. The customs procedures are complicated. The importers have to deal with a multiplicity of agencies namely carriers, custodians like BPT as well as the Customs. The importer would find it impossible to clear his goods through its agencies without wasting valuable energy and time. The CHA is supposed to safeguard the interests of both the importers and the customs. A lot of trust is kept in CHA by the importers/exporters as well as by the government agencies..."

16. Further, I rely on the judgement of the Hon'ble High Court of Madras in case of Cappithan Agencies vs. Commissioner of Customs, Chennai-VIII, 2015 (326) E.L.T. 150 (Mad.), has held that:

"...Therefore, the grant of licence to act as a Custom House Agent has got a definite purpose and intent. On a reading of the Regulations relating to the grant of licence to act as CHA, it is seen that while CHA should be in a position to act as agent for the transaction of any business relating to the entry or departure of conveyance or the import or export of goods at any customs station, he should also ensure that he does not act as an Agent for carrying on certain illegal activities of any of the persons who avail his services as CHA. In such circumstances, the person playing the role of CHA has got greater responsibility. The very description that one should be conversant with the various procedures including the offences under the Customs Act to act as a Custom House Agent would show that while acting as CHA, he should not be a cause for violation of those provisions. A CHA cannot be permitted to misuse his position as CHA by taking advantage of his access to the Department. The grant of licence to a person to act as CHA is to some extent to assist the Department with the various procedures such as scrutinizing the various documents to be presented in the course of transaction of business for entry and exit of conveyances or the import or export of the goods. In such circumstances, great confidence is reposed in a CHA. Any misuse of such a position by the CHA will have far reaching consequences in the transaction of business by the customs house officials. Therefore, when, by such malpractices, there is loss of revenue to the custom house, there is every justification for the Respondent in treating the action of the Petitioner Applicant as detrimental to the interest of the nation and accordingly, final order of revoking his licence has been passed."

17. In view of the discussion held above, I have no doubt that the suspension of the CB licence vide Order No. 03/2026-27 dated 22.04.2026 under regulation 16 of the CBLR, 2018 was just and proper. The said regulation reads as:

"16. Suspension of license.

(1) Notwithstanding anything contained in regulation 14, the Principal Commissioner or Commissioner of Customs may, in appropriate cases where immediate action is necessary, suspend the license of a Customs Broker where an enquiry against such Customs Broker is pending or contemplated."

18. From the above facts, prima-facie, the Customs Broker M/s. CAPRICORN LOGISTICS PVT. LTD. (11/1805 and PAN: AABCC6364M), appeared to have failed to fulfill their obligations under Regulation 10 (b), 10(k), 10(q), 13(12) and 14(c) of CBLR, 2018 and contravened the same. Therefore, for their apparent acts of omission and commission as discussed above, the CB M/s. Capricorn Logistics Pvt. Ltd. (Lic. No. 11/1805 & PAN: AABCC6364M) appears to be liable and guilty and hence to prevent the further misuse of the CB license, I am inclined to continue the suspension of the CB license under Regulation 16(2) of CBLR, 2018.

19. Accordingly, I pass the following order: -

ORDER

19.1 I, Pr. Commissioner of Customs (G), CBS, in exercise of powers conferred upon me under the provisions of Regulation 16 (2) of CBLR, 2018 order that the suspension of the Customs Broker

License of M/s. CAPRICORN LOGISTICS PVT. LTD. (11/1805 and PAN: AABCC6364M), ordered vide Order no. 03/2026-27 dated 22.04.2026 shall continue, pending inquiry proceedings under Regulation 17 of CBLR, 2018.

20. This order is being issued without prejudice to any other action that may be taken against the CB or any other person(s)/firm(s), etc, under the provisions of the Customs Act, 1962 and Rules/Regulations framed thereunder or under any other law for the time being in force.


20.5.26
(Ajay Kumar Pandey)

Pr. Commissioner of Customs, CBS (General)
New Customs House, Mumbai, Zone- I

To,
M/s. CAPRICORN LOGISTICS PVT. LTD. (11/1805
and PAN: AABCC6364M)
13-13A KeyTuo Industrial Estate, 220 Kondivita
Road, Andheri (East), Mumbai 400 059.

Copy to:

1. The Pr./Chief Commissioner of Customs, Mumbai Zone I, II, III.
2. The Additional Director, DRI, ^{MUMBAI} Ahmadabad Zonal Unit
3. The Commissioner of Customs, Mumbai Zone I, II, III.
4. EDI of NCH, ACC & JNCH.
5. BCBA.
6. Office copy.
7. Notice Board.



**OFFICE OF THE PR. COMMISSIONER OF CUSTOMS
(GENERAL),**

प्रधान सीमा शुल्क आयुक्त (सामान्य) का कार्यालय
**CUSTOMS BROKER SECTION, NEW CUSTOM
HOUSE,**

कस्टम्स ब्रोकर अनुभाग, नया कस्टम हाउस
BALLARD ESTATE, MUMBAI - 400 001.

बैलार्ड एस्टेट, मुंबई - 400 001.

Email-Id: cbsec.nch@gov.in

F.No: GEN/CB/212/2026-CBS

Date:-#ApprovedDate

DIN:- 20260577000000058005

**ORDER No. 05/2026-27
UNDER REGULATION 16(2) OF THE CUSTOMS BROKER
LICENSING REGULATION, 2018**

M/s. Capricorn Logistics Pvt. Ltd. (Lic. No. 11/1805 & PAN: AABCC6364M) having registered address: 13-13A, Keytuo Industrial Estate, 220, Kondivita Road, Andheri (East), Mumbai- 400 059 (hereinafter referred to as the Customs Broker/CB) is the holder of Customs Broker License No. (11/1805) (PAN No. AABCC6364M), issued by the Commissioner of Customs, Mumbai under Regulation 7(1) of CHALR, 2004 erstwhile (now Regulation 7(2) of CBLR, 2018) and as such, they are bound by the regulations and conditions stipulated therein.

1.1 A report regarding the offenses committed by the CB, issued by the Pr. Additional Director General, DRI, MZU vide letter F. No. DRI/MZU/NS-II/INT- 47/2026 dated 17.04.2026; was received in the Customs Broker Section, NCH, Mumbai Zone-I. The report, inter alia, conveyed the following information:

Brief facts of the case:

2. This is a case involving access pass of the C.B. and executed/facilitated the illegal acts. Acting on specific intelligence, the Directorate of Revenue Intelligence, Mumbai Zonal Unit, that a container (No. TGHU6099161), covered under B/L No. JSSONSA2603010 dtd. 18.03.2026, imported in the name of M/s. C.K. International (IEC: CSNPD7021D), mis-declared to contain "Household Items and Cleaning Product" had reached M/s. ICTPL Globicon CFS on 09.04.2026 and goods contained therein were being unauthorizedly removed from the Customs area by members of the syndicate.
3. Acting promptly, DRI officers rushed to the CFS and secured the container and the imported goods. It was observed that the imported goods were being hurriedly transferred to another vehicle/truck. The consignment was being unauthorizedly removed without filing a Bill of Entry, and without requisite Customs permission, by illegally breaking the container seal. The examination conducted on 12.04.2026 revealed that the entire consignment, declared as "Household Items and Cleaning Product," actually comprised of Chinese-origin "Fireworks/Firecrackers", having a market value of appx. Rs 3.99 crore.

4. Further, another vehicle/ trailer carrying palletised goods in cartons labelled "Made in China" of value appx. Rs 5 lakh, was positioned nearby to replace the goods after unloading of smuggled goods from the container and the said trailer had entered CFS under the guise of carrying 'export goods'. On examination, some of these cartons were found to contain household goods, whereas many others were found empty.
5. Preliminary investigation by DRI indicates that the smuggling and subsequent attempted clandestine removal of the firecrackers from the CFS was orchestrated, abetted, and facilitated by a syndicate, which included a person named Shri Sandeep Shukla, a salaried employee engaged in Cargo Clearance work of authorized Customs Broker M/s Capricorn Logistics Pvt. Ltd. (CLPL) (License No. 11/1805 and PAN: AABCC6364M). He holds a company ID in the name of the said Customs Broker, and a Brihanmumbai Custom Brokers Association (BCBA) pass under the name of the said Customs Broker. He possesses neither a 'G' card nor an 'H' card, as mandated by the Custom Broker Licensing Regulations (CBLR), 2018 for the Customs related work.
6. Based on the investigation conducted by DRI, it appears that to execute the physical cargo substitution inside the CFS, Shri Sandeep Shukla employed by M/s. CLPL used the access pass of the Customs Broker and executed/facilitated the following illegal acts:
 - a. Unauthorised Entry of Private Persons: Shri Sandeep Shukla, the employee and pass holder of the Customs Broker, arranged the entry of labourers from outside for the 'container stuffing' by using copy of the letter head of M/s CLPL, obtained the permission slip for entry of the labourers in the guise of stuffing the Export cargo covered under a checklist/ shipping bill filed by M/s CLPL. However, these labourers, instead of stuffing the mentioned export cargo, were found to be involved in the clandestine removal of the prohibited imported goods from the container no. TGHU6099161.
 - b. Unauthorized Entry of Vehicle with so called 'Export' Cargo for Substitution: Shri Sandeep Shukla, the employee and pass holder of the Customs Broker, requested entry of three vehicles against Checklist/ shipping bill (No. 2259124 dated 9th April 2026) declaring export goods as 'Industrial Valves', filed by M/s CLPL. One of the vehicles among these was used by Shri Sandeep Shukla to bring 'Household Items and Cleaning Product' to replace them with the imported fireworks. It did not carry any declared export goods i.e., industrial valves.
 - c. Unauthorized Placement of Container in Hazardous Cargo Area: Shri Sandeep Shukla, the employee and pass holder of the Customs Broker, without having any G or H card for Customs Work entered the Customs area and instructed the CFS Kalmar operator to move the import container to hazardous area for substituting the

prohibited imported goods.

- d. Unauthorized Seal Cutting: Shri Sandeep Shukla, the employee and pass holder of the Customs Broker, influenced the CFS Seal Cutter to cut the seal of the import container, without any official documentation, requisite permission, or the presence of the designated Customs officer.

7. **Role of Customs Broker:**

In view of the above, the preliminary investigation indicates that M/s. Capricorn Logistics Pvt. Ltd. (License No. 11/1805 and PAN: AABCC6364M) violated, inter alia, the following key provisions of CBLR, 2018:

- 7.1 **Regulation 10(b):** Failing to ensure that only his employees authorized under CBLR, 2018 (and not a mere BCBA pass holder with no 'G' or 'H' Card authority) are transacting Customs related business in the Customs Station.

"transact business in the Customs Station either personally or through an authorised employee duly approved by the Deputy Commissioner of Customs or Assistant Commissioner of Customs, as the case may be;"

- 7.2 **Regulation 10(k):** Failing to maintain up to date record of correct number of vehicles are entering the Customs area for bringing the export cargo.

"Maintain up to date records such as bill of entry, shipping bill, transshipment application, etc., all correspondence, other papers relating to his business as Customs Broker and accounts including financial transactions in an orderly and itemised manner as may be specified by the Principal Commissioner of Customs or Commissioner of Customs or the Deputy Commissioner of Customs or Assistant Commissioner of Customs, as the case may be"

- 7.3 **Regulation 10(q):** Failing to ensure that their employee Shri Sandeep Shukla is co-operating with the Customs authorities and is joining investigations promptly in the event of the inquiry against him, as Shri Sandeep Shukla has not joined the investigation despite being issued summons.

"co-operate with the Customs authorities and shall join investigations promptly in the event of an inquiry against them or their employees"

- 7.4 **Regulation 13(12):** Failing to exercise effective supervision necessary to ensure the proper conduct of employees in the transaction of business.

"The Customs Broker shall exercise such supervision as may be necessary to ensure proper conduct of his employees in the transaction of business and he shall be held responsible for all acts or omissions of his employees during their employment".

7.5 **Regulation 14(c):** Gross Misconduct by the Customs Broker's employee by actively facilitating the clandestine removal of the smuggled goods through:

- facilitation of unauthorized placement and seal cutting of the container.
- facilitation of unauthorized entry of the private labourers inside the CFS to carry out the clandestine removal of the prohibited imported goods.
- facilitation of entry of vehicle with so called 'Export' Cargo for substitution.

8. The involvement in organized smuggling, misuse of Customs processes, and serious revenue and security implications committed by the Customs Brokers involved, amount to a serious offence warranting stringent immediate action under the Customs Broker Licensing Regulations (CBLR), 2018 and related statutes.

9. The misdeclaration and smuggling of the Chinese origin "Fireworks/Firecrackers", amount to a serious offence warranting stringent legal action under the Customs Broker Licensing Regulations (CBLR), 2018 and related statutes. Moreover, the gravity of the violations, which have serious fiscal and security implications, it appears that CB M/s. CAPRICORN LOGISTICS PVT. LTD. (11/1805 and PAN: AABCC6364M) was careless in his duties and knowingly helped in clearing mis declared goods. Thus, it appears that the CB M/s. CAPRICORN LOGISTICS PVT. LTD. (11/1805 and PAN: AABCC6364M) has committed a gross offence and violated regulations 10 (b), 10(k), 10(q), 13(12) and 14(c) of the Customs Broker Licensing Regulations, 2018, which have made them unfit to transact any business at Mumbai Customs and also in other Customs Stations.

10. Accordingly, the subject license was suspended vide Order No. 03/2026-27 dated 22.04.2026 by the competent authority.

11. Further, in connection to the above, another letter dated 06.05.2026 has been received from DRI, MZU stating that, during the course of further investigation, the employee of the said Customs Broker, namely Shri Vaibhav Popat Neharkar, an 'H' Card Holder, who is well-versed in clearance and operational procedures, and Shri Sandeep Shukla, BCBA Pass Holder and Assistant Manager (Exports) of ICTPL CFS, were found to be actively involved in abetting and facilitating the clandestine removal of prohibited/restricted goods, smuggling, and the unauthorized removal and substitution of the smuggled goods, i.e., firecrackers, within the CFS. It was further revealed that Shri Vaibhav Popat Neharkar had conspired with other accomplices on at least two previous occasions and appears to be a habitual offender. He admitted to his involvement in such facts on previous occasions where goods were substituted and removed using false documentation for monetary consideration.

11.1 In view of the above, it appears that the employees of the Customs Broker, including the 'H' Card Holder, were involved in

repeated offences rather than in an isolated act of attempted clandestine removal and substitution of smuggled goods from the CFS.

11.2 Therefore, the contention of the Customs Broker that only a non-card holder employee was responsible, has been rejected, as the 'H' Card Holder was found to be directly implicated in the matter.

11.3 Further, it is also pertinent to mention here that the license of ICTPL CFS had already been suspended vide order dated 13.04.2026 passed by the Commissioner of Customs (NS-General), JNCH, and the suspension was continued vide order dated 05.05.2026.

12. Upon suspension of the CB license on 22.04.2026, an opportunity for a personal hearing was scheduled on 13.05.2026 at 12:45 hrs.

RECORD OF PERSONAL HEARING & WRITTEN SUBMISSION OF THE CUSTOMS BROKER:

Pursuant to issuance of Suspension Order No. 03/2026-27 dated 22.04.2026, Shri. Sheetal Sadanand Shetty, Managing Director in the CB firm and authorise consultant, Shri Prakash Shah, appeared on behalf of the Customs broker for personal hearing on 13.05.2026 at 12:45 PM. During Personal Hearing, Representatives of CB reiterated their written submission dated 11.05.2026.

13. The CB, vide his written submission dated 11.05.2026 received on 13.05.2026, inter-alia submitted:

13.1 That the Suspension Order No. 03/2026-27 CBS dated 22.04.2026 has been passed solely on the basis of a preliminary and ex-parte DRI investigation report bearing F. No. DRI/MZU/NS-IV/INT-47/2026 dated 17.04.2026 without conducting any inquiry, without issuance of any Show Cause Notice and without affording any opportunity of hearing prior to suspension.

13.2 That Regulation 16(1) of CBLR, 2018 permits suspension only where "immediate action" is necessary pending inquiry and the said power cannot be exercised mechanically merely on the basis of allegations. The CB submitted that there is no finding in the Suspension Order establishing any immediate necessity warranting suspension of license.

13.3 That the allegations leveled against the CB are vague, general, unsupported by cogent evidence and based merely on assumptions and presumptions. The CB submitted that the impugned order does not disclose any concrete material establishing active involvement, connivance or deliberate misconduct on the part of the Customs Broker.

13.4 That no inquiry has been conducted to establish the alleged role of the CB in the matter and no evidence has been brought on record to show that the CB had knowledge of any alleged misdeclaration or irregularity committed by the importer/exporter.

13.5 That the CB had acted strictly in accordance with the provisions of the Customs Broker Licensing Regulations, 2018 and had undertaken the clearance work on the basis of documents provided by the client/importer in the ordinary course of business.

13.6 That the suspension order has been issued in gross violation of the principles of natural justice inasmuch as no opportunity was granted to the CB to explain its position prior to suspension of license.

13.7 That the Customs Broker license is the sole source of livelihood of the CB firm and suspension of the license has caused grave financial hardship and irreparable loss to the firm and its employees.

13.8 That there is no allegation or evidence showing that the CB had gained any monetary benefit from the alleged transactions or had abetted the alleged acts of misdeclaration.

13.9 That the CB relied upon various judicial pronouncements wherein it has been consistently held that suspension under Regulation 16 is an extraordinary measure and can be resorted to only in cases where immediate action is absolutely necessary. The CB relied upon the following case laws:

(a) *Aradhya Export Import Consultants Pvt. Ltd. Vs Commissioner of Customs* [CUSAA 81/2023, Delhi High Court].

(b) *Silverline Global Freight Pvt. Ltd. Vs Commissioner of Customs* [CESTAT Delhi, 2025].

13.10 That the Hon'ble Delhi High Court in the case of *Aradhya Export Import Consultants Pvt. Ltd.* had held that suspension under Regulation 16 cannot be treated as a penalty and can only be invoked as a temporary preventive measure where immediate action is necessary pending inquiry.

13.11 That the Hon'ble CESTAT Delhi in the case of *Silverline Global Freight Pvt. Ltd. Vs Commissioner of Customs* [2025] set aside suspension of Customs Broker license holding that where no reasons are given for immediate suspension and there is no specific proof of active role of the CB in misdeclaration, the suspension order is unjustified.

13.12 That the impugned order is founded entirely on a preliminary intelligence/investigation report received from DRI and no inquiry has been conducted, no show cause notice has been issued and no opportunity to respond was afforded prior to suspension.

13.13 That as on the date of personal hearing, the CB had fully cooperated with the DRI investigation and had handed over Shri Sandeep Shukla, the concerned employee, to the DRI investigation team on 24.04.2026 after extensive search efforts, thereby eliminating any possibility of obstruction to investigation.

13.14 That the allegation in paragraph 2 of the Suspension Order that the case involved misuse of the CB's access pass to execute/facilitate illegal acts is incorrect and misconceived. The CB submitted that the import consignment in question was imported in the name of M/s. C. K. International and was not a client of the CB.

13.15 That the CB's involvement at M/s. ICTPL Globicon CFS was only in respect of an export consignment covered under Shipping Bill No. 2259124 dated 09.04.2026 declaring "Industrial Valves" and the said export consignment had already been granted Let Export Order by Customs.

- 13.16 That the BCBA pass and company ID card issued in the name of Shri Sandeep Shukla were allegedly misused by him in his individual capacity and not as an authorized representative acting on behalf of the CB firm.
- 13.17 That the Hon'ble Delhi High Court in the case of *Commissioner of Customs Vs Jaiswal Import Cargo Services Ltd.* [CUSAA 11/2025] held that the primary responsibility in import-related violations rests with the importer and allegations against the Customs Broker must be supported by cogent evidence.
- 13.18 That the allegation recorded in paragraph 5 of the Suspension Order that Shri Sandeep Shukla was part of a syndicate is based solely on his status as a salaried employee and no evidence has been brought on record to establish connivance or involvement of the management of the CB firm.
- 13.19 That the Hon'ble Bombay High Court in the case of *Commissioner of Customs (General) Vs Worldwide Cargo Movers* [2010 (259) E.L.T. 180 (Bom.)] held that vicarious liability of an employer arises only when the employee acts within the authorized scope of employment and not where the employee acts independently for personal gain.
- 13.20 That the allegation under Regulation 10(a) of CBLR, 2018 regarding unauthorized use of ID card is unsustainable as Shri Sandeep Shukla was authorized only for limited operational tasks relating to export cargo handling at the CFS gate and not for transacting customs-related business independently.
- 13.21 That the allegation under Regulation 10(d) of CBLR, 2018 is baseless as the CB had exercised due diligence and maintained proper internal records including truck details and cargo documents relating to the export consignment.
- 13.22 That the allegation under Regulation 10(n) of CBLR, 2018 is also unsustainable since the CB had maintained proper supervision and records regarding movement of export cargo and had no knowledge regarding alleged unauthorized activities undertaken independently by the employee.
- 13.23 That the allegation under Regulation 10(q) of CBLR, 2018 regarding non-cooperation with investigation is factually incorrect as the CB had continuously cooperated with DRI officers, shared all available information and actively assisted in tracing the concerned employee.
- 13.24 That the Customs Broker license is the sole source of livelihood of the CB firm and suspension of license has caused grave financial hardship and irreparable loss to the firm and its employees.
- 13.25 That the CB prayed that considering the facts and circumstances of the case and in absence of any cogent evidence establishing active involvement or connivance of the CB firm, the suspension of Customs Broker License No. 11/1805 may kindly be revoked forthwith pending completion of inquiry proceedings, if any.

DISCUSSIONS AND FINDINGS:

14. I have gone through the facts and records of the case, the written defense submission. Upon thorough examination of the case records, including the written submissions from the Customs Broker and the arguments presented during the personal hearing, the relevant facts and investigation findings have been outlined in the preceding paragraphs and will not be reiterated here for sake of brevity.

14.1 The primary issue under consideration is whether Suspension Order No. 03/2026-27 dated 22.04.2026 should be upheld or revoked. After carefully examining the submissions and the case law cited by the CB, I find that the precedents relied upon are not relevant to the facts and circumstances of the present case. The power under Regulation 16(1) of the CBLR, 2018 confers power to the Principal Commissioner/Commissioner of Customs, as the case may be, to suspend the license of the Customs Broker where an inquiry against such Customs Broker is pending or contemplated and immediate action is warranted. In the instant case, since an inquiry was contemplated against the said CB as intimated by the investigating agency i.e. DRI, Mumbai, hence, I found that it's an appropriate case for suspension where immediate action was necessary in order to stop all customs clearance related work to safeguard the revenue. In terms of Regulation 16(2) of CBLR, 2018, an opportunity of hearing was granted to the CB on 13.05.2026 at 12:45 PM and same has been attended by the said Customs Broker through their authorized consultant. However, orders issued under Regulations 16(1) and 16(2) of the CBLR, 2018 are temporary measures and final order is to be issued under Regulation 17 of CBLR, 2018 after issuance of Show Cause Notice and due inquiry.

14.2 Regarding the violation of Regulation 10(b) of CBLR, 2018, the preliminary investigation indicates that the Customs Broker failed to ensure that only his employees authorized under CBLR, 2018 (and not a mere BCBA pass holder with no 'G' or 'H' Card authority) are transacting Customs related business in the Customs Station. In the instant case, salaried employees of CB M/s. Capricorn Logistics Pvt. Ltd. (Lic. No. 11/1805 & PAN: AABCC6364M) namely Shri Sandeep Shukla, BCBA pass holder & Asstt. Manager (Exports) of ICTPL CFS and Shri Vaibhav Popat Neharkar, 'H' Card Holder are found actively involved in abetting and facilitating the organized smuggling syndicate in unauthorized removal and substitution of the smuggled goods i.e. firecrackers within the CFS.

14.3 I find that this conduct clearly indicates a violation of Regulation 10(b) of the Customs Broker Licensing Regulations (CBLR), 2018, representing a serious breach of the duties and obligations prescribed under the said Regulation. In its submission dated 11.05.2026, the Customs Broker has stated that Shri Sandeep Shukla has committed this offence in his personal capacity and not as the employee of the said CB. This argument does not hold ground as the Customs Broker can not run away from the obligations prescribed under CBLR, 2018. However, with regards to Shri Vaibhav Popat Neharkar, 'H' Card Holder of the said CB, no justification of his involvement has been given in their said submission dated 11.05.2026. Therefore, it is apparent that the CB has violated the said provision.

14.4 Regarding the violation of Regulation 10(k) of CBLR, 2018, the preliminary investigation indicates that the Customs Broker failed to maintain up to date record to ensure that correct number of vehicles are entering the Customs area for bringing the export cargo. In its

submission dated 11.05.2026, the Customs Broker has stated that they have e-mailed to Shri Sandeep Shukla specifying one truck for the export of goods covered under SB no. 2259124 dated 09.04.2026 and gatekeeping of vehicles at the CFS is not responsibility of CB. This is exclusive function of the CFS and Customs Gate PO.

14.5 I find that Shri Sandeep Shukla, a salaried employee of the said CB has been found actively involved in unauthorized removal and substitution of the smuggled goods i.e. firecrackers within the CFS along with Shri Vaibhav Popat Neharkar, 'H' Card Holder of the said CB. Thus, involvement of both of them cannot be seen in isolation, which indicates that the CB has violated Regulation 10(k) of CBLR, 2018.

14.6 Regarding the violation of Regulation 10(q) of CBLR, 2018, the preliminary investigation indicates that the Customs Broker failed to ensure that their employee Shri Sandeep Shukla is co-operating with the Customs authorities and is joining investigations promptly in the event of the inquiry against him, as Shri Sandeep Shukla did not join the investigation despite being issued summons.

14.7 I find that the specific intelligence regarding the unauthorized removal and substitution of the smuggled goods i.e. firecrackers was received to DRI, Mumbai Zonal Unit on 11.04.2026 and a letter regarding urgent necessary action to be taken against the said CB was received in this office on 17.04.2026. In the meantime, Shri Sandeep Shukla did not present himself before the investigating agency despite multiple attempts made by the said CB to make him present as claimed by them in their submission dated 11.05.2026. However, it is to be noted that Shri Sandeep Shukla presented himself before the investigating agency on 24.04.2026 i.e. after the suspension of the license of said CB. In view of the foregoing, it is apparent that the CB has violated the said provision.

14.8 Regarding the violation of Regulation 13(12) of CBLR, 2018, the preliminary investigation indicates that the Customs Broker failed to exercise effective supervision necessary to ensure the proper conduct of employees in the transaction of business.

14.9 In the instant case, I find that the Customs Broker failed to exercise proper supervision and control over its employees namely Shri Sandeep Shukla, BCBA pass holder & Asstt. Manager (Exports) of ICTPL CFS and Shri Vaibhav Popat Neharkar, 'H' Card Holder in the conduct of customs business. The acts and omissions committed by the employees indicate lack of due monitoring and oversight on the part of the Customs Broker, thereby rendering the Customs Broker liable under Regulation 13(12) of CBLR, 2018. Thus, the Customs Broker has violated Regulation 13(12) of CBLR, 2018 by failing to ensure proper conduct of its employees and by not exercising adequate supervision over their activities during the transaction of customs business.

14.10 Regarding the violation of Regulation 14(c) of CBLR, 2018, the preliminary investigation indicates Gross Misconduct by the Customs Broker's employees by actively facilitating the clandestine removal of the smuggled goods through:

- facilitation of unauthorized placement and seal cutting of the container.

- facilitation of unauthorized entry of the private labourers inside the CFS to carry out the clandestine removal of the prohibited imported goods.
- facilitation of entry of vehicle with so called 'Export' Cargo for substitution.

14.11 I find that misconduct committed by CB's employees namely Shri Sandeep Shukla, BCBA pass holder & Asstt. Manager (Exports) of ICTPL CFS and Shri Vaibhav Popat Neharkar, 'H' Card Holder indicates lack of exercise of effective supervision necessary to ensure the proper conduct of employees in the transaction of business, which is mandatory on the part of Customs Broker. CB cannot run away from discharging these obligations by claiming that the employees have done the whole act in their personal capacities. In their submission dated 11.05.2026, the said CB has failed to justify their failure in fulfilling their obligations to stop the gross misconduct by their employees. Therefore, it is apparent that the CB has violated the said provision.

15. The CB has a very important role in customs clearances and a lot of trust has been placed by the Department on the CB. In the context of trade facilitation, where an increasing number of goods are processed through Risk Management Systems without customs examination, the role of the Customs Broker (CB) has become even more critical in ensuring that the country's economic borders are effectively protected. However, in the present case, the gross negligence and dereliction of duty exhibited by the Customs Broker posed a significant threat to the Indian economy at large. In the era of trade facilitation, the Customs Broker works as a bridge between the importer and Customs authorities. However, in the instant case, it appears that CB M/s. Capricorn Logistics Pvt. Ltd. (Lic. No. 11/1805 & PAN: AABCC6364M) did not perform its duties and the preliminary investigation indicates gross misconduct by the Customs Broker's employees by actively facilitating the clandestine removal of the smuggled goods through facilitation of unauthorized placement and seal cutting of the container, facilitation of unauthorized entry of the private labourers inside the CFS to carry out the clandestine removal of the prohibited imported goods and facilitation of entry of vehicle with so called 'Export' Cargo for substitution. This amounts to a serious offence warranting stringent legal action under the Customs Broker Licensing Regulations (CBLR), 2018 and related statutes. In this regard, I rely on the judgement of the Hon'ble Supreme Court in case of Commissioner of Customs vs M/s K.M. Ganatra & Co. has held that:

"the Customs House Agent (CHA) occupies a very important position in the customs house. The customs procedures are complicated. The importers have to deal with a multiplicity of agencies namely carriers, custodians like BPT as well as the Customs. The importer would find it impossible to clear his goods through its agencies without wasting valuable energy and time. The CHA is supposed to safeguard the interests of both the importers and the customs. A lot of trust is kept in CHA by the importers/exporters as well as by the government agencies..."

16. Further, I rely on the judgement of the Hon'ble High Court of Madras in case of Cappithan Agencies vs. Commissioner of Customs, Chennai-VIII, 2015 (326) E.L.T. 150 (Mad.), has held that:

"...Therefore, the grant of licence to act as a Custom House Agent has got a definite purpose and intent. On a reading of the Regulations relating to the grant of licence to act as CHA, it is seen that while CHA should be in a position to act as agent for the transaction of any business relating to the entry or departure of conveyance or the import or export of goods at any customs station, he should also ensure that he does not act as an Agent for carrying on certain illegal activities of any of the persons who avail his services as CHA. In such circumstances, the person playing the role of CHA has got greater responsibility. The very description that one should be conversant with the various procedures including the offences under the Customs Act to act as a Custom House Agent would show that while acting as CHA, he should not be a cause for violation of those provisions. A CHA cannot be permitted to misuse his position as CHA by taking advantage of his access to the Department. The grant of licence to a person to act as CHA is to some extent to assist the Department with the various procedures such as scrutinizing the various documents to be presented in the course of transaction of business for entry and exit of conveyances or the import or export of the goods. In such circumstances, great confidence is reposed in a CHA. Any misuse of such a position by the CHA will have far reaching consequences in the transaction of business by the customs house officials. Therefore, when, by such malpractices, there is loss of revenue to the custom house, there is every justification for the Respondent in treating the action of the Petitioner Applicant as detrimental to the interest of the nation and accordingly, final order of revoking his licence has been passed."

17. In view of the discussion held above, I have no doubt that the suspension of the CB licence vide Order No. 03/2026-27 dated 22.04.2026 under regulation 16 of the CBLR, 2018 was just and proper. The said regulation reads as:

"16. Suspension of license.

(1) Notwithstanding anything contained in regulation 14, the Principal Commissioner or Commissioner of Customs may, in appropriate cases where immediate action is necessary, suspend the license of a Customs Broker where an enquiry against such Customs Broker is pending or contemplated."

18. From the above facts, prima-facie, the Customs Broker M/s. CAPRICORN LOGISTICS PVT. LTD. (11/1805 and PAN: AABCC6364M), appeared to have failed to fulfill their obligations under Regulation 10 (b), 10(k), 10(q), 13(12) and 14(c) of CBLR, 2018 and contravened the same. Therefore, for their apparent acts of omission and commission as discussed above, the CB M/s. Capricorn Logistics Pvt. Ltd. (Lic. No. 11/1805 & PAN: AABCC6364M) appears to be liable and guilty and hence to prevent the further misuse of the CB license, I am inclined to continue the suspension of the CB license under Regulation 16(2) of CBLR, 2018.

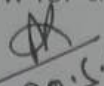
19. Accordingly, I pass the following order: -

ORDER

19.1 I, Pr. Commissioner of Customs (G), CBS, in exercise of powers conferred upon me under the provisions of Regulation 16 (2) of CBLR, 2018 order that the suspension of the Customs Broker

License of M/s. CAPRICORN LOGISTICS PVT. LTD. (11/1805 and PAN: AABCC6364M), ordered vide Order no. 03/2026-27 dated 22.04.2026 shall continue, pending inquiry proceedings under Regulation 17 of CBLR, 2018.

20. This order is being issued without prejudice to any other action that may be taken against the CB or any other person(s)/firm(s), etc, under the provisions of the Customs Act, 1962 and Rules/Regulations framed thereunder or under any other law for the time being in force.


20.5.26
(Ajay Kumar Pandey)

Pr. Commissioner of Customs, CBS (General)
New Customs House, Mumbai, Zone- I

To,
M/s. CAPRICORN LOGISTICS PVT. LTD. (11/1805
and PAN: AABCC6364M)
13-13A KeyTuo Industrial Estate, 220 Kondivita
Road, Andheri (East), Mumbai 400 059.

Copy to:

1. The Pr./Chief Commissioner of Customs, Mumbai Zone I, II, III.
2. The Additional Director, DRI, ^{MUMBAI} Ahmadabad Zonal Unit
3. The Commissioner of Customs, Mumbai Zone I, II, III.
4. EDI of NCH, ACC & JNCH.
5. BCBA.
6. Office copy.
7. Notice Board.

Fwd: Investigation into a case of organised smuggling of Fireworks/Firecrackers – violations of Custom Broker Licensing Regulations (CBLR), 2018 by M/s Capricorn Logistics Pvt. Ltd. (License No. 11/1805 and PAN: AABCC6364M) – Reg.

<
cbsec.nch cbsec.nch@gov.in
>

Pr.cc-general Pr.cc-general <pr.cc-general@gov.in >

Mon, 20 Apr 2026 11:04:32 AM +0530

To "Customs Broker Section"<cbsec.nch@gov.in>

O/o Commissioner of Customs (General),
New Custom House,
Mumbai - Zone -1.

===== Forwarded message =====

From: CCU Customs Mumbai Zone I <ccu-cusmum1@gov.in>

To: "Pr.cc-general Pr.cc-general" <pr.cc-general@gov.in>

Date: Mon, 20 Apr 2026 10:11:28 +0530

Subject: Fwd: Investigation into a case of organised smuggling of Fireworks/Firecrackers – violations of Custom Broker Licensing Regulations (CBLR), 2018 by M/s Capricorn Logistics Pvt. Ltd. (License No. 11/1805 and PAN: AABCC6364M) – Reg.

===== Forwarded message =====

Regards,

O/o the Pr. Chief Commissioner of Customs,
Mumbai Zone-I

===== Forwarded message =====

From: Deputy Director Cell <mzuns2-dri@gov.in>

To: "Pr.cc-general Pr.cc-general" <pr.cc-general@gov.in>

Cc: "CCU Customs Mumbai Zone I" <ccu-cusmum1@gov.in>, "CCU Customs Mumbai Zone II" <ccu-cusmum2@nic.in>, "DRI HQRS" <drihqrs@gov.in>, "SAMEER PATIL" <sameer.sp@gov.in>, "Shalabh Katiyar" <shalabhkatiyar.irs@gov.in>, "P N Pandey" <pn.pandey@gov.in>

Date: Fri, 17 Apr 2026 22:17:25 +0530

Subject: Investigation into a case of organised smuggling of Fireworks/Firecrackers – violations of Custom Broker Licensing Regulations (CBLR), 2018 by M/s Capricorn Logistics Pvt. Ltd. (License No. 11/1805 and PAN: AABCC6364M) – Reg.

===== Forwarded message =====

Sir/Madam,

Please find attached letter from the Pr. ADG, DRI, MZU regarding a case of organised smuggling of Fireworks/Firecrackers – violations of Custom Broker Licensing Regulations (CBLR), 2018 by M/s Capricorn Logistics Pvt. Ltd. (License No. 11/1805 and PAN: AABCC6364M) for necessary action at your end.

Thanks and Regards,

Sagar Suryawanshi
Senior Intelligence Officer
DRI, MZU, NS-II.

1 Attachment(s)

DRI Letter dated 17.04.2026.pdf
977 KB



राजस्व आसूचना निदेशालय

DIRECTORATE OF REVENUE INTELLIGENCE

मुंबई आंचलिक इकाई / MUMBAI ZONAL UNIT

13, सर विठ्ठलदास थेकरसी मार्ग, मरीन लाइन्स, मुंबई - ४०००२०

13, Sir Vitthaladas Thackersey Marg, New Marine Lines, Mumbai - 400020

Tel No. ☎ (022) 22050191/92/93/94

✉ drimzu@gov.in

F.No. DRI/MZU/NS-II/INT-47/2026

Date: 17.04.2026

Most Urgent
Confidential

To,
The Commissioner of Customs (General)
New Custom House
Ballard Estate, Mumbai-400001

Subject: Investigation into a case of organised smuggling of Fireworks/Firecrackers - violations of Custom Broker Licensing Regulations (CBLR), 2018 by M/s Capricorn Logistics Pvt. Ltd. (License No. 11/1805 and PAN: AABCC6364M) – Reg.

Sir,

Directorate of Revenue Intelligence (DRI), Mumbai Zonal Unit (MZU), is investigating a case of organised smuggling of Fireworks/ Firecrackers by a syndicate through misdeclaration of imported goods. Specific intelligence was received on 11.04.2026 by DRI MZU that a container (No. TGHU6099161), covered under Bill of Lading No. JSSONSA2603010 dated 18.03.2026, imported in the name of M/s C K International (IEC: CSNPD7021D), misdeclared to contain "Household Items and Cleaning Product" had reached M/s ICTPL Globicon CFS on 09.04.2026, and goods contained therein were being unauthorisedly removed from the Customs area by members of the syndicate.

2. Acting promptly, DRI officers rushed to the CFS and secured the container and the imported goods. It was observed that the imported goods were being hurriedly transferred to another vehicle/truck. The consignment was being unauthorisedly removed without filing a Bill of Entry, and without requisite Customs permission, by illegally breaking the container seal. The examination conducted on 12.04.2026 revealed that the entire consignment, declared as "Household Items and Cleaning Product," actually comprised of Chinese-origin "Fireworks/Firecrackers", having a market value of appx. Rs 3.99 crore.

3. Further, another vehicle/ trailer carrying palletised goods in cartons labelled "Made in China" of value appx. Rs 5 lakh, was positioned nearby to replace the goods after unloading of smuggled goods from the container and the said trailer had entered CFS under the guise of carrying 'export goods'. On examination, some of these cartons were found to contain household goods, whereas many others were found empty.

4. Preliminary investigation indicate that the smuggling and subsequent attempted clandestine removal of the firecrackers from the CFS was orchestrated, abetted, and facilitated by a syndicate, which included a persons named Shri Sandeep Shukla, a salaried employee engaged in Cargo Clearance work of authorized Customs Broker M/s Capricorn Logistics Pvt. Ltd. (CLPL) (License No. 11/1805 and PAN:AABCC6364M). He holds a company ID in the name of the said Customs Broker, and a Brihanmumbai Custom Brokers Association (BCBA) pass under the name of the said Customs Broker. He possesses neither a 'G' card nor an 'H' card, as mandated by the Custom Broker Licensing Regulations (CBLR), 2018 for the Customs related work.



5. Based on the investigation conducted so far, it appears that to execute the physical cargo substitution inside the CFS, Shri Sandeep Shukla employed by M/s CLPL used the access pass of the Customs Broker and executed/ facilitated the following illegal acts:

- a) **Unauthorised Entry of Private Persons:** Shri Sandeep Shukla, the employee and pass holder of the Customs Broker, arranged the entry of labourers from outside for the 'container stuffing' by using copy of the letter head of M/s CLPL, obtained the permission slip for entry of the labourers in the guise of stuffing the Export cargo covered under a checklist/ shipping bill filed by M/s CLPL. However, these labours, instead of stuffing the mentioned export cargo, were found to be involved in the clandestine removal of the prohibited imported goods from the container no. TGHU6099161.
- b) **Unauthorised Entry of Vehicle with so called 'Export' Cargo for Substitution:** Shri Sandeep Shukla, the employee and pass holder of the Customs Broker, requested entry of three vehicles against Checklist/ shipping bill (No. 2259124 dated 9th April 2026) declaring export goods as 'Industrial Valves', filed by M/s CLPL. One of the vehicles among these was used by Shri Sandeep Shukla to bring 'Household Items and Cleaning Product' to replace them with the imported fireworks. It did not carry any declared export goods i.e. industrial valves.
- c) **Unauthorised Placement of Container in Hazardous Cargo Area:** Shri Sandeep Shukla, the employee and pass holder of the Customs Broker, without having any G or H card for Customs Work entered the Customs area and instructed the CFS Kalmar operator to move the import container to hazardous area for substituting the prohibited imported goods.
- d) **Unauthorised Seal Cutting:** Shri Sandeep Shukla, the employee and pass holder of the Customs Broker, influenced the CFS Seal Cutter to cut the seal of the import container, without any official documentation, requisite permission, or the presence of the designated Customs officer.

6. In view of the above, the preliminary investigation indicates that M/s Capricorn Logistics Pvt. Ltd. (License No. 11/1805 and PAN:AABCC6364M) violated, inter alia, the following key provisions of CBLR, 2018:

- **Regulation 10(b):** Failing to ensure that only his employees authorized under CBLR, 2018 (and not a mere BCBA pass holder with no 'G' or 'H' Card authority) are transacting Customs related business in the Customs Station.
- **Regulation 10(k):** Failing to maintain up to date record of shipping bill to ensure that correct number of vehicles are entering the Customs area for bringing the export cargo
- **Regulation 10(q):** Failing to ensure that their employee Shri Sandeep Shukla is co-operating with the Customs authorities and is joining investigations promptly in the event of the inquiry against him, as Shri Sandeep Shukla has not joined the investigation despite being issued summons.
- **Regulation 13(12):** Failing to exercise effective supervision necessary to ensure the proper conduct of employees in the transaction of business.
- **Regulation 14(c):** Gross Misconduct by the Customs Broker's employee by actively facilitating the clandestine removal of the smuggled goods through:
 - facilitation of unauthorized placement and seal cutting of the container.
 - facilitation of unauthorized entry of the private labourers inside the CFS to carry out the clandestine removal of the prohibited imported goods.
 - facilitation of entry of vehicle with so called 'Export' Cargo for substitution .

7. In view of the above, considering the gravity of the violations, which have serious fiscal and security implications, it is requested that urgent necessary action be taken under CBLR 2018,

including immediate suspension of the Customs Broker License No. 11/1805 and PAN: AABCC6364M of M/s Capricorn Logistics Pvt. Ltd. and intimate all Customs stations accordingly.



Yours faithfully,

(P. N. Pandey)

Pr. Additional Director General

17/04/2026

Copy to:

1. The Pr. Chief Commissioner of Customs, Mumbai-I Zone, NCH, Mumbai.
2. The Chief Commissioner of Customs, Mumbai-II Zone, JNCH, Nhava Sheva.
3. The Director General, Directorate of Revenue Intelligence, New Delhi.



प्रधान सीमाशुल्क अधिकारी (सामान्य) का कार्यालय

OFFICE OF THE COMMISSIONER OF CUSTOMS (GENERAL)

कस्टम ब्रोकर अनुभाग, नवीन सीमाशुल्क भवन, बैलार्ड इस्टेट, मुंबई - 400 001

**CUSTOMS BROKER SECTION, NEW CUSTOM HOUSE, BALLARD
ESTATE, MUMBAI - 400001**

Email-Id: cbsec.nch@gov.in

F. No. GEN/CB/212/2026-CBS

Date: 30.04.2026

NOTICE No. 18/2026-27

It is hereby brought to the notice of all concerned that the request of Customs Broker M/s. Capricorn Logistics Pvt. Ltd. (CB No. 11/1805 and PAN: AABCC6364M), who is holder of Customs Broker License under Regulation 7(2) of CBLR, 2018 issued by the Mumbai Customs for granting permission to complete clearance of all Bills of Entry and Shipping Bills filed on or before 22.04.2026 (i.e. before suspension of their license vide this office Order No. 03/2026-27 dated 22.04.2026) has been accepted considering the No Objection received from the investigating agency i.e. DRI, MZU, Mumbai subject to fulfillment of relevant compliances under the Customs Act, 1962 and any other law for the time being in force.

It is clarified that this permission is granted only for the Bills of Entry and Shipping Bills filed on or before 22.04.2026 and not for Bills of Entry and Shipping Bills filed after 22.04.2026.

This is issued with the approval of the Commissioner of Customs (General), Zone I.

Digitally signed by
Pradeep Narayanrao Zode
Date: 30-04-2026
17:46:33

**(Pradeep N. Zode)
Assistant Commissioner of Customs
(General)**

New Custom House, Mumbai

To,

M/s. Capricorn Logistics Pvt. Ltd. (CB No. 11/1805 and PAN: AABCC6364M)
3-13A KeyTuo Industrial Estate,
220 Kondivita Road, Andheri (East),
Mumbai- 400 059.

Copy to:

1. The Pr./Chief Commissioner of Customs, Mumbai Zone I, II, III.
2. The Pr. Additional Director General, DRI, Mumbai Zonal Unit
3. The Pr./Commissioner of Customs, Mumbai Zone I, II, III.
4. EDI of NCH, ACC & JNCH.
5. All CFSs under the jurisdiction of JNCH.
6. Office copy.
7. Notice Board.

Received on 30/04/2026

Chaital N. Gaware



आयुक्त (सामान्य) सीमाशुल्क का कार्यालय
OFFICE OF THE COMMISSIONER OF CUSTOMS (GENERAL)
कस्टम ब्रोकर अनुभाग, नवीन सीमाशुल्क भवन, बेलार्ड इस्टेट, मुंबई - I
CUSTOMS BROKER SECTION, NEW CUSTOM HOUSE, BALLARD ESTATE,
MUMBAI - I.

22-04-2026

DIN NO. - 2026047700000000E622

ORDER NO. 03/2026-27 CBS

M/s. Capricorn Logistics Pvt. Ltd. (Lic. No. 11/1805 & PAN: AABCC6364M), having registered address: 13-13A, Keytuo Industrial Estate, 220, Kondivita Road, Andheri (East), Mumbai- 400 059 (hereinafter referred to as the Customs Broker/CB), is the holder of Customs Broker License No. (11/1805) (PAN No. AABCC6364M), issued by the Commissioner of Customs, Mumbai, under Regulation 7(1) of CHALR, 2004, erstwhile (now Regulation 7(2) of CBLR, 2018) and as such, they are bound by the regulations and conditions stipulated therein.

1.1. A report regarding the offences made by the CB, issued by the Principal Additional Director General, DRI, MZU vide letter F.No. DRI/MZU/NS-II/INT-47/2026 dated 17.04.2026 was received in the Customs Broker Section, NCH, Mumbai Zone-I. The report, inter alia, conveyed the following information:

Brief facts of the case

2. This is a case involving the C.B.'s access pass, which was executed/facilitated the illegal acts. Acting on specific intelligence, the Directorate of Revenue Intelligence, Mumbai Zonal Unit, has reported that a container (No. TGHU6099161), covered under B/L No. JSSONSA2603010 dtd. 18.03.2026, imported in the name of M/s. C.K. International (IEC: CSNPD7021D), misdeclared to contain "Household Items and Cleaning Product", had reached M/s. ICTPL Globicon CFS on 09.04.2026 and goods contained therein were being unauthorizedly removed from the Customs area by members of the syndicate.

3. Acting promptly, DRI officers rushed to the CFS and secured the container and the imported goods. It was observed that the imported goods were being hurriedly transferred to another vehicle/truck. The consignment was being unauthorizedly removed without filing a Bill of Entry, and without the requisite Customs permission, by illegally breaking the container seal. The examination conducted on 12.04.2026 revealed that the entire consignment, declared as "Household Items and Cleaning Product," actually comprised of Chinese-origin "Fireworks/Firecrackers", having a market value of appx. Rs 3.99 crore.

4. Further, another vehicle/ trailer carrying palletised goods in cartons labelled "Made in China" of value appx. Rs 5 lakh, was positioned nearby to replace the goods after

unloading of smuggled goods from the container and the said trailer had entered CFS under the guise of carrying 'export goods'. On examination, some of these cartons were found to contain household goods, whereas many others were found empty.

5. Preliminary investigation by DRI indicates that the smuggling and subsequent attempted clandestine removal of the firecrackers from the CFS was orchestrated, abetted, and facilitated by a syndicate, which included a persons named Shri Sandeep Shukla, a salaried employee engaged in Cargo Clearance work of authorized Customs Broker M/s Capricorn Logistics Pvt. Ltd. (CLPL) (License No. 11/1805 and PAN: AABCC6364M). He holds a company ID in the name of the said Customs Broker, and a Brihanmumbai Custom Brokers Association (BCBA) pass under the name of the said Customs Broker. He possesses neither a 'G' card nor an 'H' card, as mandated by the Customs Broker Licensing Regulations (CBLR), 2018, for the Customs-related work.

6. Based on the investigation conducted by DRI, it appears that to execute the physical cargo substitution inside the CFS, Shri Sandeep Shukla employed by M/s CLPL used the access pass of the Customs Broker and executed/ facilitated the following illegal acts:

a. Unauthorized Entry of Private Persons: Shri Sandeep Shukla, the employee and pass holder of the Customs Broker, arranged the entry of laborers from outside for the 'container stuffing' by using copy of the letter head of M/s CLPL, obtained the permission slip for entry of the laborers in the guise of stuffing the Export cargo covered under a checklist/ shipping bill filed by M/s CLPL. However, these laborers, instead of stuffing the mentioned export cargo, were found to be involved in the clandestine removal of the prohibited imported goods from the container no. TGHU6099161.

b. Unauthorized Entry of Vehicle with so-called 'Export' Cargo for Substitution: Shri Sandeep Shukla, the employee and pass holder of the Customs Broker, requested entry of three vehicles against the Checklist/ shipping bill (No. 2259124 dated 9th April 2026) declaring export goods as 'Industrial Valves', filed by M/s CLPL. One of the vehicles among these was used by Shri Sandeep Shukla to bring 'Household Items and Cleaning Product' to replace them with the imported fireworks. It did not carry any declared export goods i.e., industrial valves.

c. Unauthorized Placement of Container in Hazardous Cargo Area: Shri Sandeep Shukla, the employee and pass holder of the Customs Broker, without having any G or H card for Customs Work, entered the Customs area and instructed the CFS Kalmar operator to move the import container to the hazardous area for substituting the prohibited imported goods.

d. Unauthorized Seal Cutting: Shri Sandeep Shukla, the employee and pass holder of the Customs Broker, influenced the CFS Seal Cutter to cut the seal of the import container, without any official documentation, requisite permission, or the presence of the designated Customs officer.

7. In view of the above, the preliminary investigation indicates that M/s Capricorn Logistics Pvt. Ltd. (License No. 11/1805 and PAN: AABCC6364M) violated, inter alia, the following key provisions of CBLR, 2018:

7.1 Regulation 10(b): *"transact business in the Customs Station either personally or through an authorised employee duly approved by the Deputy Commissioner of Customs or Assistant Commissioner of Customs, as the case may be;"*

The CB failed to ensure that only his employees authorized under CBLR, 2018 (and not a mere BCBA pass holder with no 'G' or 'H' Card authority) are transacting Customs-related business in the Customs Station. Shri Sandeep Shukla, a salaried employee engaged in Cargo Clearance work of CLPL, did not possess either a 'G' card or an 'H'

card, as mandated by the Customs Broker Licensing Regulations (CBLR), 2018, for the Customs-related work.

7.2 Regulation 10(k): *"Maintain up to date records such as bill of entry, shipping bill, transshipment application, etc., all correspondence, other papers relating to his business as Customs Broker and accounts including financial transactions in an orderly and itemized manner as may be specified by the Principal Commissioner of Customs or Commissioner of Customs or the Deputy Commissioner of Customs or Assistant Commissioner of Customs, as the case may be"*

The CB failed to maintain an up-to-date record of shipping bills to ensure that the correct number of vehicles are entering the Customs area to bring the export cargo.

7.3 Regulation 10(q): *"co-operate with the Customs authorities and shall join investigations promptly in the event of an inquiry against them or their employees"*

The CB failed to ensure that their employee, Shri Sandeep Shukla, is cooperating with the Customs authorities. Shri Sandeep Shukla has not joined the DRI investigation despite being issued summons.

7.4 Regulation 13(12): *"The Customs Broker shall exercise such supervision as may be necessary to ensure proper conduct of his employees in the transaction of business and he shall be held responsible for all acts or omissions of his employees during their employment"*

The CB failed to exercise the effective supervision necessary to ensure the proper conduct of employees in the transaction of business. Shri Sandeep Shukla, a salaried employee engaged in CLPL was actively involved in the above-mentioned act of smuggling.

7.5 Regulation 14(c): Gross Misconduct by the Customs Broker's

employee by actively facilitating the clandestine removal of the smuggled goods through:

- . facilitation of unauthorized placement and seal cutting of the container.
- . facilitation of unauthorized entry of the private labourers inside the CFS to carry out the clandestine removal of the prohibited imported goods.
- . facilitation of the entry of vehicle with so-called 'Export' Cargo for substitution.

8. The involvement in organized smuggling, misuse of Customs processes, and serious revenue and security implications committed by the Customs Brokers involved, amount to a serious offence warranting stringent legal action under the Customs Broker Licensing Regulations (CBLR), 2018 and related statutes.

9. Thus, it appears that the CB has committed a gross offence and their negligence may not be ignored. In view of the above, it appears that the subject license is subject to action under Regulation 16(1) of the CBLR, 2018, or otherwise.

Regulation 16(1) of the CBLR, 2018:-

"Notwithstanding anything contained in regulation 14, the Principal Commissioner or Commissioner of Customs may, in appropriate cases where immediate action is necessary, suspend the license of a Customs Broker where an enquiry against such Customs Broker is pending or contemplated: Provided that where the Principal Commissioner or Commissioner of Customs may deem fit for reasons to be recorded in

writing, he may suspend the license for a specified number of Customs Stations."

10. SUMMARY

10.1 This is a case involving misdeclaration and smuggling of Chinese origin "Fireworks / Firecrackers". It was observed that the imported goods were being hurriedly transferred to another vehicle/truck. The consignment was being unauthorisedly removed without filing a Bill of Entry, and without the requisite Customs permission, by illegally breaking the container seal. The examination conducted on 12.04.2026 revealed that the entire consignment, declared as "Household Items and Cleaning Product," actually comprised of Chinese-origin "Fireworks/Firecrackers", having a market value of appx. Rs 3.99 crore.

10.2 In view of the foregoing, and considering the grave violations, it is evident that the Customs Broker has engaged in clearing the smuggled goods as mentioned in the foregoing paras. These actions, carried out in clear contravention of the DGFT Policy, constitute a serious offence and warrant strict legal action under the Customs Broker Licensing Regulations (CBLR), 2018 and other applicable statutory provisions.

11. The misdeclaration and smuggling of the Chinese origin "Fireworks/Firecrackers" amount to a serious offence warranting stringent legal action under the Customs Broker Licensing Regulations (CBLR), 2018 and related statutes. Moreover, the gravity of the violations, which have serious fiscal and security implications, it appears that CB M/s. CAPRICORN LOGISTICS PVT. LTD. (11/1805 and PAN: AABCC6364M) was careless in his duties and knowingly helped in clearing misdeclared goods. Thus, it appears that the CB M/s. CAPRICORN LOGISTICS PVT. LTD. (11/1805 and PAN: AABCC6364M) has committed a gross offence and violated regulations 10 (b), 10(k), 10(q), 13(12) and 14(c) of the Customs Broker Licensing Regulations, 2018, which have made them unfit to transact any business at Mumbai Customs and also in other Customs Stations.

12. Accordingly, I pass the following order: -

ORDER

12.1 I, Commissioner of Customs, CBS (General), in exercise of powers conferred upon me under the provisions of Regulation 16 (1) of CBLR, 2018 hereby suspend the CB license of M/s. CAPRICORN LOGISTICS PVT. LTD. (11/1805 and PAN: AABCC6364M), with immediate effect, being fully satisfied that the Customs Broker has prima facie not fulfilled their obligations as laid down under Regulation 10(b), 10(k), 10(q), 13(12) and 14(c) of CBLR, 2018.

12.2 However, I offer the Customs Broker M/s. CAPRICORN LOGISTICS PVT. LTD. (11/1805 and PAN: AABCC6364M), **an opportunity of a personal hearing on 7th May at 12 pm**. Any written representation against this order should reach the undersigned before the date of the hearing.

12.3 CB M/s. CAPRICORN LOGISTICS PVT. LTD. (11/1805 and PAN: AABCC6364M) is directed to surrender all the original Custom Passes issued to their employee/partner/director/Proprietor immediately.

13. This order is being issued without prejudice to any other action that may be taken against the CB or any other person(s)/firm(s), etc, under the provisions of the Customs Act, 1962 and Rules/Regulations framed thereunder or under any other law for the time being in force.

Digitally signed by
Shraddha Joshi Sharma
Date: 22-04-2026
18:04:00

(Shraddha Joshi Sharma)
Commissioner of Customs, CBS (General)
Mumbai Customs Zone-I

To,
M/s. CAPRICORN LOGISTICS PVT. LTD. (11/1805 and PAN: AABCC6364M), 13-13A KeyTuo Industrial Estate, 220 Kondivita Road, Andheri (East), Mumbai 400 059.

Copy to:

1. The Pr./Chief Commissioner of Customs, Mumbai Zone I, II, III.
2. The Pr. Additional Director General, DRI, Mumbai Zonal Unit
3. The Pr./Commissioner of Customs, Mumbai Zone I, II, III.
4. EDI of NCH, ACC & JNCH.
5. BCBA.
6. Office copy.
7. Notice Board.